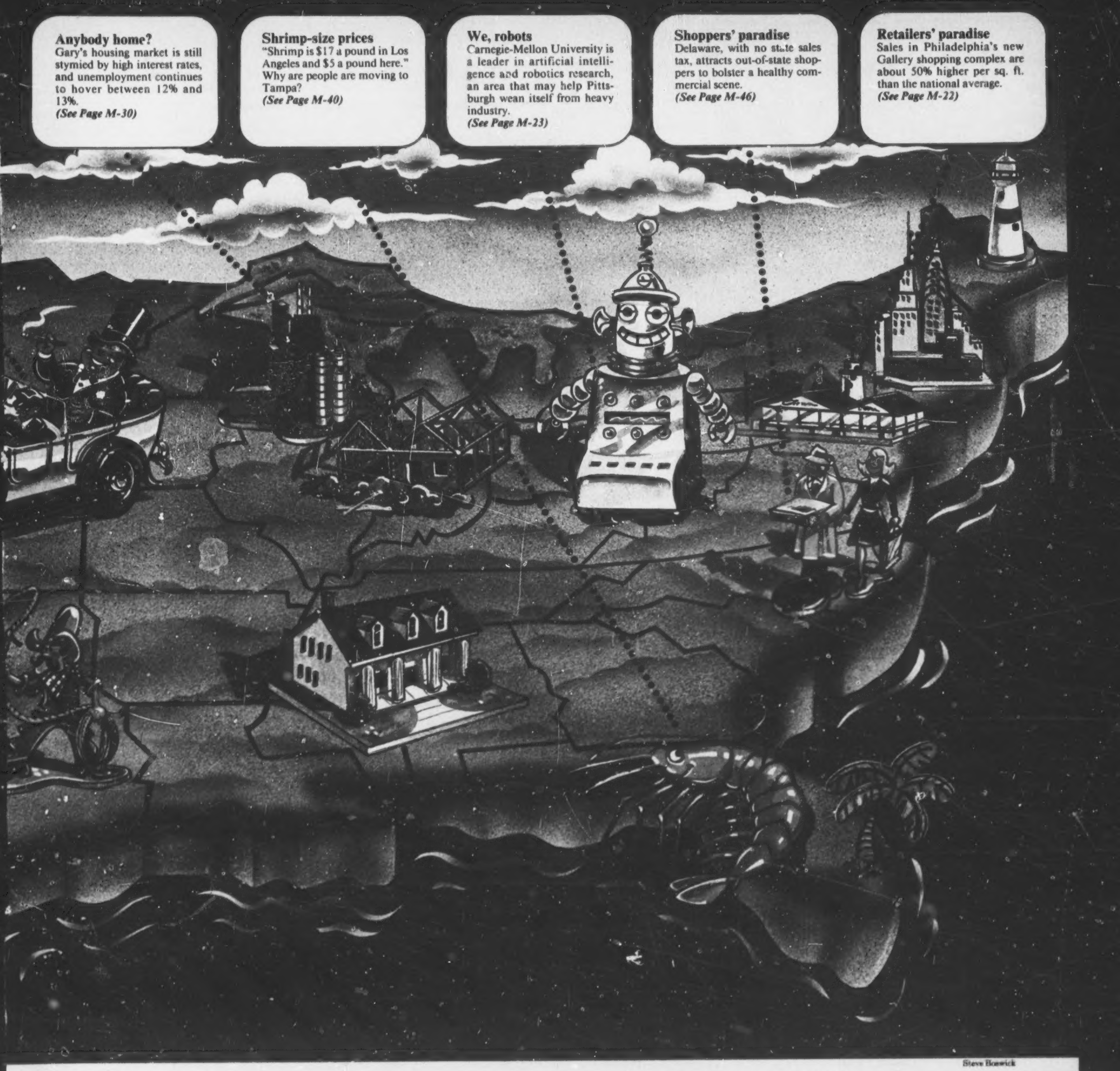


Anybody home?
Gary's housing market is still stymied by high interest rates, and unemployment continues to hover between 12% and 13%.
(See Page M-30)

Shrimp-size prices
"Shrimp is $17 a pound in Los Angeles and $5 a pound here." Why are people are moving to Tampa?
(See Page M-40)

We, robots
Carnegie-Mellon University is a leader in artificial intelligence and robotics research, an area that may help Pittsburgh wean itself from heavy industry.
(See Page M-23)

Shoppers' paradise
Delaware, with no state sales tax, attracts out-of-state shoppers to bolster a healthy commercial scene.
(See Page M-46)

Retailers' paradise
Sales in Philadelphia's new Gallery shopping complex are about 50% higher per sq. ft. than the national average.
(See Page M-22)

Steve Boswick

1983 for the Las Vegas market placed it No. 2 in growth in the country.

This rapid pace is the more remarkable because it extends to three decades the length of its record growth. Moreover, its population growth has been accompanied by a very significant increase of 67.5% in retail sales volume from 1977 to 1982.

The new criteria the government has established for defining metropolitan statistical areas (*see story on Page M-8*) have given some fast-growing markets a rightful place in the sun.

Marketers have always known Dallas-Fort Worth as one of the nation's growth markets. For many years, however, Fort Worth has been living in the shadow of its big sister, even though it has enjoyed faster growth both in population and in retail sales. Now that the government has accorded it recognition as the Fort Worth-Arlington Metropolitan Statistical Area, it stands out with a performance record of 9.2% growth in population since 1980 and a 98.3% growth in retail sales since 1977.

Income

The wide fluctuations in the fortunes of individual metropolitan markets during the recession underscored the ephemeral nature of income, but even more, its importance as a basic yardstick of market strength. An examination of well-to-do markets reveals that most of them adjoin the megalopolises of New York, Chicago, Los Angeles and San Francisco. As such, under new criteria, the government has grouped them together as Consolidated Metropolitan Statistical Areas.

Marketers can focus on such mass markets with large concentrations of prospective consumers. While recent changes in the social and economic status of consumers have splintered or are splitting apart the market, the sheer magnitude of these very large markets allows professionals to draw fine market segments and distinctive product differentiations.

Retail sales

The rapid development of the Sunbelt markets has focused attention on their retail drawing power. Retailers located in these fast-growing markets have reaped windfall gains from being at the right place at the right time.

While some of the metropolitan areas that enjoy the highest index of retail sales to disposable income attract expenditures from nonresidents of those areas, from either shoppers in adjoining areas or tourists, in other markets consumers allocate more of their expenditures to goods rather than to services or to savings.

Profiles begin on Page M-8

(This index is computed by dividing the market's percentage of U.S. retail sales by its percentage of U.S. income. Based on the simple assumption that all the consumers in a market will spend a certain proportion of their income for retail goods, this index indicates the extent to which the market deviates from the U.S. Index of 100.)

This is particularly true of these very high index markets. To a considerable extent, the exceptionally large retail dollar volume in these particular markets is an indication of how well marketers have succeeded in influencing their customers to spend.

The creative marketing strategies and tactics marketers have devised and implemented in these highly competitive markets bear watching. For as the economy starts on the road to prosperity, it is the successful marketers who will be spreading the benefits of mass production, mass distribution and mass consumption.

How they rank

Rank		Population 1980
1.	New York, N.Y.	8,274,961
2.	Los Angeles-Long Beach, Cal.	7,477,503
3.	Chicago, Ill.	6,060,387
4.	Philadelphia, Pa.	4,716,618
5.	Detroit, Mich.	4,488,072
6.	Washington, D.C.-Md.-Va.	3,250,822
7.	Boston, Mass.	2,805,911
8.	Houston, Tex.	2,735,766
9.	Nassau-Suffolk, N.Y.	2,605,813
10.	Pittsburgh, Pa.	2,218,870
11.	Baltimore, Md.	2,199,531
12.	Atlanta, Ga.	2,138,231
13.	Minneapolis, Minn.-Wis.	2,137,133
14.	Dallas, Tex.	1,957,378
15.	Anaheim-Santa Ana, Cal.	1,932,709
16.	Cleveland, O.	1,898,825
17.	Newark, N.J.	1,878,959
18.	San Diego, Cal.	1,861,846
19.	St. Louis, Mo.-Ill.	1,808,621
20.	Oakland, Cal.	1,761,759
21.	Miami-Hialeah, Fla.	1,625,781
22.	Tampa-St. Petersburg-Clearwater, Fla.	1,613,603
23.	Seattle, Wash.	1,607,469
24.	Riverside-San Bernardino, Cal.	1,558,182
25.	Phoenix, Ariz.	1,509,052
26.	San Francisco, Cal.	1,488,871
27.	Denver, Colo.	1,428,836
28.	Cincinnati, O.-Ky.-Ind.	1,401,491
29.	Milwaukee, Wis.	1,397,143
30.	San Jose, Cal.	1,295,071
31.	Bergen-Passaic, N.J.	1,292,970
32.	New Orleans, La.	1,256,256
33.	Columbus, O.	1,243,833
34.	Indianapolis, Ind.	1,166,575
35.	Norfolk-Virginia Beach-Newport News, Va.	1,160,311
36.	Portland, Ore.	1,105,699
37.	Sacramento, Cal.	1,099,814
38.	San Antonio, Tex.	1,071,954
39.	Fort Lauderdale-Hollywood-Pompano Beach, Fla.	1,018,200
40.	Buffalo, N.Y.	1,015,472
41.	Fort Worth-Arlington, Tex.	973,138
42.	Charlotte-Gastonia-Rock Hill, N.C.-S.C.	971,391
43.	Rochester, N.Y.	971,230
44.	Louisville, Ky.-Ind.	956,756
45.	Dayton-Springfield, O.	942,083
46.	Kansas City, Mo.	914,427
47.	Memphis, Tenn.	913,472
48.	Salt Lake City-Ogden, Utah	910,222
49.	Middlesex-Somerset-Hunterdon, N.J.	886,383
50.	Birmingham, Ala.	883,946
51.	Oklahoma City, Okla.	860,969
52.	Greensboro-Winston-Salem-High Point, N.C.	851,851
53.	Nashville, Tenn.	850,505
54.	Monmouth-Ocean, N.J.	849,211
55.	Albany-Schenectady-Troy, N.Y.	835,880
56.	Honolulu, Hawaii	762,565
57.	Richmond-Petersburg, Va.	761,311
58.	Scranton-Wilkes-Barre, Pa	728,796
59.	Jacksonville, Fla.	722,252
60.	Hartford, Conn.	715,923
61.	Orlando, Fla.	700,055
62.	Akron, O.	660,328
63.	Tulsa, Okla.	657,173
64.	Gary-Hammond, Ind.	642,971
65.	Syracuse, N.Y.	642,781
66.	Allentown-Bethlehem, Pa.-N.J.	635,481
67.	Providence, R.I.	618,514
68.	Toledo, O.	616,864
69.	Grand Rapids, Mich.	601,680
70.	Omaha, Neb.-Ia.	585,122
71.	West Palm Beach-Boca Raton-Delray Beach, Fla.	576,863
72.	Greenville-Spartanburg, S.C.	569,066
73.	Knoxville, Tenn.	565,970
74.	Raleigh-Durham, N.C.	561,222
75.	Jersey City, N.J.	556,972
76.	Harrisburg-Lebanon-Carlisle, Pa.	555,158
77.	Austin, Tex.	536,688
78.	Youngstown-Warren, O.	531,443
79.	Tucson, Ariz.	531,350
80.	Oxnard-Ventura, Cal.	529,174
81.	Wilmington, Del.-N.J.-Md.	523,221
82.	Kansas City, Kan.	519,031
83.	Springfield, Mass.	515,259
84.	Fresno, Cal.	514,621
85.	New Haven-Meriden, Conn.	500,474
86.	Baton Rouge, La.	494,151
87.	Tacoma, Wash.	485,643
88.	El Paso, Tex.	479,899
89.	Little Rock-North Little Rock, Ark.	474,484
90.	Las Vegas, Nev.	463,087
91.	Flint, Mich.	450,449
92.	Mobile, Ala.	443,536
93.	Lake County, Ill.	440,372
94.	Bridgeport-Milford, Conn.	438,557
95.	Johnson City-Kingsport-Bristol, Tenn.-Va.	433,638
96.	Charleston, S.C.	430,462
97.	Chattanooga, Tenn.	426,540
98.	Saginaw-Bay City-Midland, Mich.	421,518
99.	Lansing-East Lansing, Mich.	419,750
100.	Albuquerque, N.M.	419,700

Source: U.S. Bureau of the Census

100 Leading Markets

Reports on the economic activities of the nation's largest metropolitan areas

New England

Boston, Mass.

Population '80	2,805,911
Rank	7
Est. income '82	$39,265,246,000

While much of the country has been struggling out of recession, Boston has been thriving. "Just look at all the cranes rising above the city," says James Sullivan, president of the Greater Boston Chamber of Commerce, pointing to the effects of more than $1 billion in new construction a year for the past several years and more in the pipeline.

Unemployment is down in the market, averaging 5.2% in August, down from 6.6% six months earlier.

Hotels are springing up on every corner. Five thousand new hotel rooms have either just opened or are scheduled to open shortly. Joining a new Westin Hotel at Copley Place, the Marriott Long Wharf, the Bostonian, the Meridien and the Back Bay Hilton will be another Marriott for giant Copley Place, a Four Seasons Hotel at Park Square (across the street from the new State Transportation Office Building, still under construction) and a new Intercontinental Hotel leading the construction of Lafayette Place.

Who will fill these new hotels, plus the expanded existing hotels like the Ritz Carlton and the refurbished Sheraton Boston is something of a short-term puzzle. While the area actually lost 81,280 residents from 1970 to 1980, tourism has grown in the past two years. According to the Greater Boston Convention and Tourism Board, the city's hotels are relying on increased convention business.

Unfortunately, the Hynes Auditorium, Boston's major convention facility, is planning to shut down completely for two years for a major refurbishing and expansion. Although the long-term outlook for convention business is excellent now that the expansion of the Hynes is to proceed, the new hotels are going to have to weather a two-year shutdown. When the Hynes is finished, possibly before, the newly created state authority financing that project will turn its attention to a new Boston Garden arena.

One alternative convention site is the new Bayside Exposition Center, converted from an abandoned shopping center. The facility, along Dorchester Bay, is the new home for a variety of trade and consumer shows and is located in a section of the city that is slated for some major redevelopment.

Another alternative facility will be the BOSCOM facility under construction at the site of the former Commonwealth Pier. BOSCOM is being developed by the Fidelity organization (money market funds) as a permanent high-tech and electronics marketing center. In addition to the permanent attractions, the facility is expected to accommodate other activities as well.

A major marina-condominium-hotel-retail complex is being developed alongside BOSCOM by restaurateur Anthony Athaneus and Hyatt Hotels, and another high-tech development is taking place on Logan Airport's Bird Island Flats. The $130 million project will house about 50 high-tech companies in a designated foreign trade zone.

One high-tech area, the much heralded genetic engineering industry, often cited as the next wave of high-tech development, has been relatively slow to develop. But finance and insurance industries, longtime backbones of the Boston economy, are strong, says Mr. Sullivan, despite massive layoffs at Prudential, part of a nationwide consolidation by that company. New England Mutual, a home-based insurance company has major construction and expansion already planned for the Back Bay, and laws allowing out-of-state New England mergers have Boston banks competing aggressively here.

Other regulatory changes have dra-

What's behind the numbers

By Stanley E. Cohen

After a three-year hiatus, ADVERTISING AGE with this special issue once again looks at major developments in the 100 largest U.S. markets.

Our purpose is to highlight change. So the profiles are narrative, relying less on statistics than specific examples.

We asked our reporters to try to find the pulse of the communities. What is changing, and why? What does it mean in terms of future developments and marketing prospects?

The 100 markets are the 100 most populous, based on 1980 U.S. Census data, retabulated by the Bureau of the Census to conform to the new Metropolitan Statistical Area (MSA) concept adopted by the federal government on June 30, 1983.

At this time, no census material other than 1970 and 1980 population has been officially retabulated on the new basis. Once again, we have turned to Marketing Economics Institute Ltd. for help. Its population, personal income and retail sales estimates *(see Pages M-10 and M-12)* are all based on the new concept.

Under the new system, some markets are designated MSAs and others Primary Metropolitan Statistical Areas (PMSAs). Conceptually they are identical. The 78 PMSAs were distinctively titled by the government statisticians because they are also components of 23 "megalopolis" Consolidated Metropolitan Statistical Areas.

Although most of the new MSAs and PMSAs are identical to or closely resemble the Standard Metropolitan Statistical Areas (SMSA) they replaced, there are numerous instances of new titles, reflecting the addition or deletion of counties and communities.

In some instances, SMSAs were split in to two PMSAs. For example, Dallas-Fort Worth SMSA has become the Dallas PMSA and Fort Worth-Arlington PMSA. Other SMSAs have been substantially expanded. The former Norfolk-Virginia Beach-Portsmouth SMSA, for example, is now the Norfolk-Virginia Beach-Newport News MSA, with the addition of three counties and the cities of Chesapeake, Hampton, Newport News and Williamsburg.

Each MSA or PMSA is a geographic area consisting of a large population nucleus together with adjacent communities that have close economic and social ties. (MSAs and PMSAs consist of entire counties, except in six New England states, where they are made up of townships.) An area qualifies in one of two ways: It has (1) a city of at least 50,000 population, or (2) an urbanized area of at least 50,000 with a total metropolitan population of at least 100,000. In addition to the county containing the main city, an MSA or PMSA may also include additional counties that have close economic and social ties to the central county.

Standard metropolitan definitions were first developed 35 years ago so that basic federal statistics in population, housing, industry and trade are all published on comparable geographical terms. They are normally reviewed after every decennial population census. The latest revision resulted in several additions to the old SMSA list, for a total of 257 MSAs and 78 PMSAs.

The new formula also increases the number of recognized "megalopolis" units from 16 under the old definition to 23 CMSAs, which are composed of the 78 PMSAs.

Stanley E. Cohen is Washington editor of ADVERTISING AGE.

100

matically affected the retail market as well. In particular, the repeal of the Sunday blue laws has put a stop to the flow of retail business over state lines. "We were surrounded by states competing on Sundays," notes Mr. Sullivan.

More changes can be expected with the November election of Mayor Raymond Flynn. While downtown development will continue, every major mayoral candidate supported linking development of downtown with that of the neighborhoods by having developers somehow subsidize or support neighborhood projects.

Meanwhile, although the many visitors flocking here this past summer saw a prospering city, the city's neighborhoods have not enjoyed a full share of that success.

Pending state and local condominium conversion bills and linkage proposals are just two ways the city is attempting to balance downtown development with traditional neighborhood interests.

Boston's greatest bottleneck, its transportation system, may finally see some improvement. In fact, Gov. Michael Dukakis just endorsed the Third Harbor/Tunnel Central Artery Depression project that is a hope to the alleviation of the area's worst traffic jams.

Essentially, the $2.2 billion project will, over 10 years, add a third tunnel directly to the airport while expanding and placing underground the mile long elevated highway, cutting north-south across downtown Boston. The project should open another 25 acres of prime downtown land for low-and medium-rise development.

At the same time, expansion of the public transit system is continuing as subways push beyond Harvard Square and plans are put forward to revive train travel to Cape Cod.

Despite the immediate traffic problems expected because of the projects, there will be plenty of encouragement for visitors to come to the city, especially with the launching of the "Boston, Bright From The Start" marketing campaign, a slogan the city hopes will rival "I Love New York" in appeal.

The city continues to be a lively media town. Since Rupert Murdoch took over the failing *Boston Herald* (then the *Herald-American*) from the Hearst Corp., the paper has aggressively been building readership and promoting itself. Wingo—the newspaper bingo game—came to Boston as part of an uphill struggle with the *Boston Globe*.

Heating up the newspaper scene even more was the entry of *USA Today* into the market.

WQTV, Channel 68, becomes the city's newest tv station, joining the three network affiliates, three independents and two public tv stations, while Cablevision wires the city for a state-of-the-art system that promises to deliver dozens of channels for a minimal basic fee.

Bridgeport-Milford, Conn.

Population '80	438,557
Rank	94
Est. income '82	$11,067,409,000

The nine-town Bridgeport PMSA comprises Bridgeport, Fairfield, Stratford, Trumbull, Easton, Monroe and Shelton in Fairfield County and Derby and Milford in New Haven County.

It is a major corporate, banking and manufacturing center and is home to many corporations, including General Electric Co., United Technologies/Sikorsky Aircraft, Avco Lycoming, Mobil Chemical, Bunker Ramo, Chesebrough-Pond's Research, Richardson-Vicks, TIE Communications, Warnaco, Remington-Du Pont, Tetley Tea and American Chain and Cable (ACCO).

Bridgeport has been experiencing a substantial amount of economic growth and prosperity. Last year, it was one of six cities awarded enterprise zone designation by the state of Connecticut, the zone covering 300 acres in the industrial area west of the Pequonnock River and the commercial district at the south end of E. Main St. It already has 25 projects in the works, including a planned industrial conversion of the 500,000-sq.-ft. former Bridgeport Brass complex.

Another area receiving considerable support for revitalization is Harborpointe. Under a project designed to develop the area, the state plans to turn over considerable acreage to a group of developers headed by the Sterling Group.

In return, the developers, over a period of 20 years, will construct thousands of housing units, thousands of square feet of offices and other units. One of the more immediate projects for the developers will be a group of 500 moderately priced townhouses.

The enterprise zone status is expected to be a major weapon in Bridgeport's efforts to attract more business within its area.

The incentives under the designation include: A 50% state corporation business tax reduction for 10 years for new manufacturing projects; an 80% abatement of local property taxes for five years for new manufacturing projects with the state reimbursing the municipality 75%; a $1,000 grant for each new job created in conjunction with a manufacturing project; local tax assessment freezes for up to seven years on new commercial and residential projects, and low interest venture capital and small business loans of up to $100,000.

Bridgeport's East End is going through a facelift, through the efforts of the Metropolitan Business Assn., which with an annual budget of $423,000 aims to help companies in this blighted area become viable. One way to achieve this is through making the area secure.

The association plans to establish foot patrols, not just to ensure the safety of the merchants, but also to assure potential shoppers in the area of their own safety.

Quite apart from the development that is proceeding, the area is attractive because of its location. It sits on Long Island Sound and is also close in proximity to New York City. In addition, Bridgeport itself is located in one of the busier manufacturing areas in the nation.

In contrast to Bridgeport, Milford is a smaller community that houses much of the working population of Bridgeport and nearby New Haven.

The Milford area is not entirely a "bedroom community," said Dave Reiscetta of the *Milford Citizen*, a 7,500 circulation newspaper that serves the community. "It has begun to attract new businesses as well." Among some of the newcomers are small manufacturing units such as U.S. Motors, a manufacturer of automobile parts.

Both Bridgeport and Milford are experiencing considerable growth in housing, residential as well as commercial. Shelly Rasmussen of the Greater Bridgeport Planning Council said Bridgeport is the leader in the state in terms of growth in residential housing units.

American Segments, I

Television: Top-rated

Top 10 Nielsen tv markets, 1983-84 season

	Designated market area	Tv households	% of U.S. tv households
1	New York	6,488,890	7.70
2	Los Angeles-Palm Springs	4,383,440	5.20
3	Chicago	2,947,640	3.50
4	Philadelphia	2,425,300	2.88
5	San Francisco/Oakland/Santa Rosa	2,038,300	2.42
6	Boston/Manchester	1,956,850	2.32
7	Detroit	1,642,820	1.95
8	Washington-Hagerstown	1,510,640	1.79
9	Dallas-Fort Worth	1,448,120	1.72
10	Cleveland-Akron	1,399,830	1.66

Source: A.C. Nielsen Co.

Income and retail sales in the 100 Leading Markets

Compiled by Marketing Economics Institute, New York MEI

Income rank	MSA/PMSA	Personal income: 1982 (000)	Retail sales: 1982 (000)
1.	New York, N.Y.	90,431,904	29,041,470
2.	Chicago, Ill.	58,042,372	29,446,793
3.	Los Angeles-Long Beach, Cal.	53,359,755	39,485,443
4.	Philadelphia, Pa.	47,925,300	21,289,061
5.	Washington, D.C.-Md.-Va.	44,889,437	17,825,891
6.	Detroit, Mich.	43,676,370	19,602,146
7.	Boston, Mass.	39,265,246	19,972,263
8.	Houston, Tex.	37,435,660	19,048,951
9.	Nassau-Suffolk, N.Y.	32,572,045	15,943,692
10.	Anaheim-Santa Ana, Cal.	29,158,500	11,939,022
11.	Oakland, Cal.	25,091,535	9,191,079
12.	Dallas, Tex.	24,829,986	12,104,679
13.	Minneapolis, Minn.	23,748,181	12,022,124
14.	San Francisco, Cal.	23,008,390	9,678,542
15.	Pittsburgh, Pa.	21,829,588	10,345,362
16.	San Diego, Cal.	21,788,162	9,725,461
17.	Atlanta, Ga.	21,582,976	11,858,401
18.	Newark, N.J.	20,545,099	8,613,243
19.	San Jose, Cal.	19,958,376	8,151,892
20.	Cleveland, O.	19,735,433	9,122,820
21.	Seattle, Wash.	18,824,832	9,725,020
22.	Baltimore, Md.	18,674,846	9,614,181
23.	St. Louis, Mo.-Ill.	18,619,343	9,697,019
24.	Riverside-San Bernardino, Cal.	17,497,223	7,624,221
25.	Denver, Colo.	16,865,657	8,751,734
26.	Miami-Hialeah, Fla.	16,831,109	8,652,440
27.	Tampa-St. Petersburg-Clearwater, Fla.	15,566,368	8,829,201
28.	Bergen-Passaic, N.J.	15,487,863	7,115,134
29.	Phoenix, Ariz.	15,232,668	7,858,259
30.	Milwaukee, Wis.	14,435,212	6,229,786
31.	Cincinnati, O.	13,952,491	6,801,623
32.	Sacramento, Cal.	13,594,799	6,075,992
[illegible]	New Orleans, La.	12,815,874	6,207,434
34.	Fort Lauderdale-Hollywood-Pompano Beach, Fla.	12,281,371	6,835,579
35.	Hartford, Conn.	12,220,547	5,283,073
36.	Columbus, O.	11,748,226	5,681,085
37.	Indianapolis, Ind.	11,160,718	7,694,993
38.	Bridgeport-Milford, Conn.	11,067,409	4,749,456
39.	Portland, Ore.	11,045,191	6,577,697
40.	Middlesex-Somerset-Hunterdon, N.J.	10,933,311	4,688,046
41.	Fort Worth-Arlington, Tex.	10,432,034	6,467,094
42.	Rochester, N.Y.	9,958,153	5,095,316
43.	Norfolk-Virginia Beach-Newport News, Va.	9,547,295	5,738,117
44.	Monmouth-Ocean, N.J.	9,260,902	4,447,795
45.	Oklahoma City, Okla.	9,116,968	5,359,575
46.	Kansas City, Mo.	9,024,357	4,488,967
47.	Buffalo, N.Y.	8,916,002	4,273,271
48.	Charlotte-Gastonia-Rock Hill,N.C.-S.C.	8,853,294	4,529,873
49.	San Antonio, Tex.	8,846,365	5,407,369
50.	Louisville, Ky.-Ind.	8,646,201	4,304,525
51.	Dayton-Springfield, O.	8,456,131	4,061,567
52.	Honolulu, Hawaii	8,094,301	3,805,356
53.	New Haven-Meriden, Conn.	8,028,324	3,569,850
54.	Providence, R.I.	7,994,318	3,515,291
55.	Memphis, Tenn.	7,871,532	4,443,941
56.	Nashville, Tenn.	7,717,252	4,173,929
57.	Salt Lake City-Ogden, Utah	7,712,134	4,252,524
58.	Greensboro-Winston- Salem-High Point, N.C.	7,593,055	3,915,477
59.	Albany-Schenectady-Troy, N.Y.	7,551,154	3,402,350
60.	West Palm Beach-Boca Raton-Delray Beach, Fla.	7,408,890	3,852,603
61.	Tulsa, Okla.	7,295,249	3,363,772
62.	Birmingham, Ala.	7,231,296	4,380,254
63.	Richmond-Petersburg, Va.	7,160,726	4,212,054
64.	Orlando, Fla.	7,002,095	4,456,693
65.	Oxnard-Ventura, Cal.	6,996,341	2,597,465
66.	Allentown-Bethlehem, Pa.	6,374,559	2,874,399
67.	Jacksonville, Fla.	6,371,537	3,334,839
68.	Grand Rapids, Mich.	6,106,720	3,495,849
69.	Kansas City, Kan.	6,034,503	2,664,984
70.	Lake County, Ill.	6,012,925	2,295,596
71.	Akron, O.	5,966,172	3,121,574
72.	Scranton-Wilkes-Barre, Pa.	5,848,673	2,783,681
73.	Jersey City, N.J.	5,847,491	1,528,994
74.	Toledo, O.	5,827,687	3,126,413
75.	Syracuse, N.Y.	5,779,319	3,183,065
76.	Harrisburg-Lebanon-Carlisle, Pa.	5,776,548	2,796,748
77.	Omaha, Neb.-Ia.	5,770,596	2,803,934
78.	Gary-Hammond, Ind.	5,540,121	2,818,552
79.	Fresno, Cal.	5,426,369	2,719,565
80.	Raleigh-Durham, N.C.	5,311,420	2,738,118
81.	Wilmington, Del.-N.J.-Md.	5,309,793	2,742,848
82.	Austin, Tex.	5,249,544	2,866,262
83.	Springfield, Mass.	5,085,049	2,323,118
84.	Tucson, Ariz.	4,966,356	3,137,799
85.	Las Vegas, Nev.	4,782,445	2,861,538
86.	Knoxville, Tenn.	4,759,381	2,813,103
87.	Greenville-Spartanburg, S.C.	4,740,246	2,531,361
88.	Baton Rouge, La.	4,717,945	1,867,322
89.	Youngstown-Warren, O.	4,410,149	2,603,093
90.	Tacoma, Wash.	4,297,993	1,910,328
91.	Little Rock-North Little Rock, Ark.	4,120,768	2,546,528
92.	Flint, Mich.	4,032,306	2,128,419
93.	Saginaw-Bay City-Midland, Mi.	3,955,263	1,802,095
94.	Lansing-East Lansing, Mich.	3,811,957	2,073,471
95.	Albuquerque, N.M.	3,715,557	2,442,295
96.	Charleston, S.C.	3,479,511	1,870,340
97.	Chattanooga, Tenn.	3,334,089	1,775,803
98.	Mobile, Ala.	3,219,008	1,842,943
99.	Johnson City-Kingsport-Bristol,Tenn-Va.	3,092,203	2,023,864
100.	El Paso, Tex.	3,068,077	1,789,904

Retail sales in 100 Leading Markets by category

Source: Marketing Economics Institute, New York. (000 omitted from figures)

Retail sales rank	MSA/PMSA	Food sales	Drugstore sales	General merchandise	Apparel/ accessory	Furniture, home furn, appliances	Automotive store sales	Gasoline station sales	Lumber, building, hardware	Eating & drinking sales
1	Los Angeles-Long Beach, Cal.	$8,947,033	$1,447,337	$4,892,265	$2,067,409	$2,043,268	$6,417,490	$3,344,197	$1,240,154	$4,594,000
2	Chicago, Ill.	5,840,004	1,154,360	3,761,279	1,920,819	1,320,002	4,489,296	2,486,237	840,416	3,300,326
3	New York, N.Y.	7,646,598	895,952	3,548,130	2,549,863	1,373,111	2,279,200	1,438,439	528,839	3,851,365
4	Philadelphia, Pa.-N.J.	5,008,058	616,676	2,683,262	1,221,795	881,292	3,190,590	1,806,477	603,382	2,108,649
5	Boston, Mass.	4,711,310	654,835	2,417,079	1,169,753	737,443	2,489,496	1,639,313	648,368	2,264,637
6	Detroit, Mich.	4,407,366	800,681	2,518,371	1,120,229	885,780	3,857,717	1,903,929	714,041	1,873,057
7	Houston, Tex.	4,296,510	505,314	2,687,540	929,368	770,172	4,062,671	1,616,632	765,628	1,852,801
8	Washington, D.C.-Md.-Va.	3,789,408	799,357	2,447,886	957,881	776,688	2,902,088	1,835,212	519,516	1,885,234
9	Nassau-Suffolk, N.Y.	3,979,482	403,770	2,023,463	865,783	701,672	1,960,398	1,349,577	464,323	1,410,203
10	Dallas, Tex.	2,427,539	478,406	1,468,988	653,399	565,273	2,486,886	1,024,979	338,121	1,248,672
11	Minneapolis-St. Paul, Minn.-Wis.	2,276,532	323,407	1,963,904	520,076	508,159	2,023,942	1,195,489	679,280	1,194,695
12	Anaheim-Santa Ana, Cal.	2,528,060	358,058	1,598,535	478,034	622,836	2,031,131	1,030,039	594,158	1,398,540
13	Atlanta, Ga.	2,490,303	389,638	1,858,236	488,923	423,846	2,039,634	1,243,111	473,200	1,226,696
14	Pittsburgh, Pa.	2,422,712	323,541	1,641,289	471,627	421,951	1,808,448	995,699	374,686	949,162
15	San Diego, Cal.	2,029,699	318,112	1,418,283	393,188	543,245	1,621,759	849,944	532,131	1,093,061
16	Seattle, Wash.	2,163,778	380,931	1,162,624	476,924	467,961	1,584,317	781,666	469,987	1,177,992
17	St. Louis, Mo.	2,278,011	290,710	1,458,467	416,442	406,716	1,656,004	1,077,193	335,967	976,506
18	San Francisco, Cal.	2,180,585	377,074	1,119,202	604,327	528,019	1,299,743	663,123	247,288	1,449,225
19	Baltimore, Md.	2,368,801	327,015	1,206,830	431,788	377,470	1,488,152	954,685	262,397	1,057,901
20	Oakland, Cal.	2,189,271	455,181	1,258,052	359,710	442,182	1,499,985	771,233	332,396	931,421
21	Cleveland, O.	2,110,788	327,942	1,411,314	414,529	369,120	1,607,453	903,166	268,629	893,164
22	Tampa-St. Petersburg, Fla.	2,283,018	303,880	1,199,690	303,881	367,510	1,460,931	794,283	341,075	959,286
23	Denver, Colo.	1,891,402	227,448	1,213,510	406,183	412,100	1,560,183	705,236	399,407	996,158
24	Miami-Hialeah, Fla.	1,884,655	345,808	1,167,687	561,060	474,593	1,440,046	728,892	202,045	974,320
25	Newark, N.J.	2,374,166	229,142	700,787	522,545	421,910	1,247,673	764,199	263,258	830,883
26	San Jose, Cal.	1,756,470	295,148	1,122,112	374,433	458,814	1,472,356	663,257	377,400	807,361
27	Phoenix, Ariz.	1,894,786	285,645	960,264	270,120	433,157	1,428,959	640,736	385,607	874,290
28	Indianapolis, Ind.	1,528,634	266,173	1,056,416	269,144	302,776	1,369,361	836,104	289,350	724,465
29	Riverside-San Bernardino, Cal.	1,790,409	260,652	962,486	276,773	307,390	1,265,291	796,023	521,196	803,327
30	Bergen-Passaic, N.J.	1,672,404	166,948	996,959	485,718	327,059	990,087	617,628	195,559	657,864
31	Fort Lauderdale-Hollywood-Pompano Beach, Fla.	1,585,266	261,845	834,893	338,908	352,393	1,238,768	582,616	205,577	842,054
32	Cincinnati, O.-Ky.-Ind.	1,631,927	219,088	1,099,081	241,569	285,635	1,066,196	762,351	216,437	752,613
33	Portland, Ore.	1,292,701	186,280	1,044,457	285,167	337,326	1,178,050	547,950	266,144	737,230
34	Fort Worth-Arlington, Tex.	1,242,191	266,098	942,307	286,830	235,881	1,423,529	556,144	221,811	661,575
35	Milwaukee, Wis.	1,388,245	172,934	950,654	271,065	303,575	1,033,670	548,017	212,048	656,995
36	New Orleans, La.	1,724,853	205,147	823,610	364,756	275,178	930,382	540,610	179,404	690,667
37	Sacramento, Cal.	1,445,503	262,205	738,466	237,568	307,674	1,034,269	567,785	339,863	662,741
38	Norfolk-Virginia Beach-Newport News, Va.	1,310,735	153,770	811,836	292,013	310,087	1,020,001	558,263	185,175	578,634
39	Columbus, O.	1,222,371	160,140	837,647	217,975	243,235	1,066,180	588,896	218,471	623,241
40	San Antonio, Tex.	1,248,386	115,650	844,685	263,347	232,647	957,504	605,900	157,175	576,245
41	Oklahoma City, Okla.	1,194,156	115,089	699,726	320,168	247,484	1,156,552	408,067	243,439	549,283
42	Hartford, Conn.	1,280,736	185,884	635,731	270,449	195,621	723,751	528,606	185,688	558,891
43	Rochester, N.Y.	1,285,441	185,610	607,084	212,911	185,379	877,629	425,440	181,064	469,067
44	Bridgeport-Milford, Conn.	1,121,459	129,371	478,308	283,004	212,703	630,836	418,119	211,343	420,005
45	Middlesex-Somerset-Hunterdon, N.J.	1,211,521	124,960	599,577	272,571	186,468	596,828	457,917	168,981	440,840
46	Charlotte-Gastonia-Rock Hill, N.C.-S.C.	1,099,102	166,455	570,037	239,595	190,873	908,913	395,131	205,436	373,750
47	Kansas City, Mo.	921,500	141,046	662,036	203,634	146,783	863,890	481,522	160,679	484,174
48	Orlando, Fla.	1,056,290	126,598	584,150	154,625	165,493	803,584	479,815	167,010	480,152
49	Monmouth-Ocean, N.J.	1,219,722	120,851	493,960	198,600	177,201	672,991	420,086	167,224	471,473
50	Memphis, Tenn.	1,045,159	140,117	614,895	227,397	197,531	854,981	473,162	145,769	371,269
51	Birmingham, Ala.	1,020,235	141,577	541,031	281,089	189,889	916,956	388,115	199,951	356,934
52	Louisville, Ky.-Ind.	974,886	147,979	603,469	168,017	193,325	768,602	463,120	177,555	451,137
53	Buffalo, N.Y.	1,122,909	170,157	668,105	232,018	165,885	693,899	311,721	123,126	458,667
54	Salt Lake City-Ogden, Utah	900,069	123,748	611,090	170,256	245,995	822,193	393,623	236,343	372,116
55	Richmond-Petersburg, Va.	944,657	160,259	602,606	191,098	161,725	668,763	470,579	208,128	371,756
56	Nashville, Tenn.	927,816	124,555	520,710	178,377	169,790	897,605	444,265	163,149	394,080
57	Dayton-Springfield, O.	922,483	93,250	686,525	143,487	181,329	711,156	436,457	139,542	409,773
58	Greensboro-Winston-Salem-High Point, N.C.	867,036	149,952	442,019	193,369	197,649	741,135	401,105	188,431	345,782
59	West Palm Beach-Boca Raton-Delray Beach, Fla.	949,068	143,285	437,905	199,540	212,106	678,601	309,421	138,186	390,760
60	Honolulu, Hawaii	713,207	207,104	764,332	221,657	100,273	424,461	233,752	55,581	658,131
61	New Haven-Meriden, Conn.	917,201	102,459	452,971	189,133	148,865	472,087	349,646	116,713	362,306
62	Providence, R.I.	856,511	121,978	405,169	174,775	127,479	479,184	339,269	136,923	342,930
63	Grand Rapids, Mich.	669,181	75,318	549,812	183,191	181,426	640,553	313,763	188,880	347,125
64	Albany-Schenectady-Troy, N.Y.	877,924	101,715	399,288	175,590	119,378	484,444	305,117	127,235	353,754
65	Tulsa, Okla.	794,496	75,717	420,600	195,346	166,853	696,183	281,175	165,296	291,720
66	Jacksonville, Fla.	733,244	136,819	377,917	136,883	120,203	674,731	377,552	122,071	308,784
67	Syracuse, N.Y.	886,584	170,866	345,803	159,477	121,673	513,270	276,180	104,409	325,075
68	Tucson, Ariz.	776,450	108,681	423,872	101,835	146,213	558,246	324,732	133,508	315,551
69	Akron, O.	788,307	93,461	412,201	116,663	115,255	521,274	324,545	183,350	329,108
70	Toledo, O.	709,002	102,852	462,473	117,173	127,694	566,108	355,727	97,339	341,279
71	Allentown-Bethlehem, Pa.-N.J.	717,178	82,122	398,756	111,130	121,743	410,005	263,817	108,613	262,737
72	Austin, Tex.	648,549	70,005	325,740	165,559	125,416	490,609	280,407	151,477	347,877
73	Las Vegas, Nev.	627,871	108,499	367,293	149,067	105,411	478,305	297,537	127,503	322,641
74	Gary-Hammond, Ind.	693,208	107,625	343,918	128,801	122,022	493,771	339,687	109,270	275,175
75	Knoxville, Tenn.	629,794	90,158	391,700	112,302	118,086	490,964	288,156	161,758	269,564
76	Omaha, Neb.-Ia.	584,689	99,109	429,129	117,121	163,565	492,812	281,135	93,542	333,002
77	Harrisburg-Lebanon-Carlisle, Pa.	656,252	86,870	328,438	115,276	111,099	431,526	291,007	113,146	247,779
78	Scranton-Wilkes-Barre, Pa.	712,757	92,725	374,847	116,989	104,514	392,505	267,159	121,509	254,299
79	Wilmington, Del.	621,779	98,372	391,393	117,147	133,588	381,738	285,132	104,615	239,220
80	Raleigh-Durham N.C.	647,901	74,577	379,141	138,131	108,649	465,509	293,590	99,376	259,638
81	Fresno, Cal.	625,121	139,127	351,641	115,575	144,703	466,901	237,496	144,419	263,121
82	Kansas City, Kan.	514,625	55,426	459,277	124,133	129,226	533,879	253,621	102,954	215,100
83	Youngstown-Warren, O.	597,571	80,849	460,251	107,959	116,770	426,940	289,389	81,891	231,793
84	Oxnard-Ventura, Cal.	658,209	103,203	311,000	90,971	116,852	490,524	224,501	118,407	246,788
85	Little Rock-North Little Rock, Ark.	539,656	86,815	350,721	143,510	113,343	513,990	242,752	140,545	194,788
86	Greenville-Spartanburg, S.C.	637,679	80,821	292,365	111,258	104,863	424,958	288,188	134,788	220,313
87	Albuquerque, N.M.	473,471	77,431	321,757	115,298	141,312	505,670	226,916	104,785	257,082
88	Springfield, Mass.	608,467	70,700	242,839	110,923	77,308	304,285	228,977	99,361	230,781
89	Lake County, Ill.	456,403	76,837	248,559	116,157	103,085	520,183	231,442	120,984	226,293
90	Flint, Mich.	457,156	74,310	339,982	94,129	98,243	464,652	198,633	80,911	186,735
91	Lansing-East Lansing, Mich.	394,041	47,037	336,197	96,256	90,300	426,248	206,039	79,704	214,364
92	Johnson City-Kingsport-Bristol, Tenn.	453,146	93,457	249,649	83,329	74,485	384,780	187,733	132,975	137,075
93	Tacoma, Wash.	399,275	66,033	245,769	73,934	94,928	359,328	188,691	95,512	200,677
94	Charleston, S.C.	467,086	54,794	261,350	87,652	79,568	321,234	185,579	107,046	162,150
95	Baton Rouge, La.	477,234	62,130	331,764	68,670	76,284	335,689	157,312	99,876	148,502
96	Mobile, Ala.	436,147	62,851	258,358	76,190	76,045	340,666	204,221	99,315	157,369
97	Saginaw-Bay City-Midland, Mich	434,503	55,678	238,771	101,502	83,868	314,558	176,786	85,098	187,603
98	El Paso, Tex.	382,919	58,491	290,098	98,609	108,444	316,369	160,917	50,985	176,604
99	Chattanooga, Tenn.	422,209	53,740	231,775	77,170	67,964	330,178	213,063	84,202	142,837
100	Jersey City, N.J.	431,488	48,947	123,851	140,171	63,274	160,660	135,350	36,791	157,424

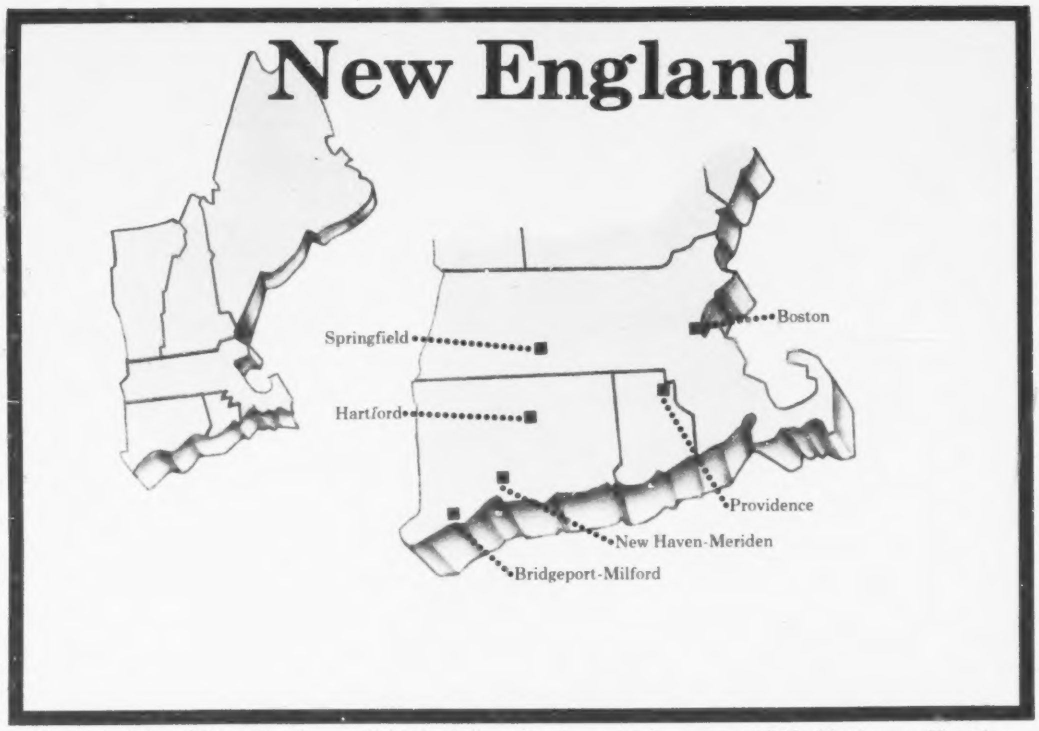
100

Of course, Bridgeport sits amidst one of the most affluent suburban pockets in the nation—Fairfield County—and this has, in part, helped direct a great deal of retail activity to the area. Both Bridgeport and Milford have the advantage of being strategically placed in terms of transportation.

Bridgeport has good access by highway, as well as water, and posesses an airport that is consistently increasing the volume it handles. The Long Island Ferry has installed a second boat to service the area. Similarly, Milford sits adjacent to Interstate Hwy. 95 and the Boston Post Road, making it an ideal location for shopping malls.

The Bridgeport market is served by two daily newspapers and 12 radio stations, including four am stations. There is one tv station originating in the market, in addition to broadcast spillover from other areas.

New England



Hartford, Conn.

Population '80	715,923
Rank	60
Est. income	$12,220,547,000

Deregulatory actions that allow insurance companies to become involved with businesses other than insurance have helped spark a commercial and office building boom in Hartford.

While renovation of existing structures in downtown Hartford has picked up over the past four years, there has been almost no new building in the city for about 15 years.

This year, however, at least four major office structures have been completed, representing more than 1.8 million sq. ft. of new office space and at least 100,000 sq. ft. of new downtown retail space.

In addition, Hartford and its surrounding communities are considering proposals for at least 20 new office complexes. The recent completions and proposed new buildings have been spurred by the insurance companies' entry into the real estate and construction business, as well as the continuing relocation of corporate headquarters to Connecticut.

Among the recently completed office buildings are One City Place, an office complex being completed in two stages. The first stage would provide 786,000 sq. ft. of office space, while the second would produce an additional 230,000 sq. ft. Urban Investment & Development, a Chicago-based subsidiary of Aetna Life & Casualty, and Bronson Hutensky are the developers.

Another recent building is One Commercial Plaza, developed by Chase Family Ltd. and Olympia York of Hartford. The project includes 674,000 sq. ft. of office space and 21,000 sq. ft. of commercial space.

Another Chase/Olympia York project is One Corporate Center, opened in 1981, which has 384,000 sq. ft. of office and 23,000 sq. ft. of retail space.

According to the Hartford Chamber of Commerce, projects representing an additional 2.2 million sq. ft. of new office space and about 600,000 sq. ft. of office renovation are being considered.

Further, proposals for about 600,000 sq. ft. of new retail space have also been submitted to city authorities. In addition, plans for 523 new housing units are being considered, as well as hotel construction representing 1,250 new rooms.

Hartford has also appointed a committee to study the feasibility of building a new convention center in downtown Hartford. The existing Civic Center Coliseum, which closed down for almost two years after its roof caved in during the snow storms of January, 1978, remains the only major convention site in the area.

According to the Connecticut State Department of Revenue Services, retail sales in 1982 in Hartford reached $869.7 million from 10,251 retail establishments. In New Britain, retail sales reached about $200 million from 4,024 retail outlets, while Bristol had retail sales of about $180 million from 3,635 stores.

The area is served by one daily newspaper—the morning *Hartford Courant*. The market has four tv stations, four am and nine fm radio stations and two cable services.

New Haven-Meriden, Conn.

Population '80	500,474
Rank	85
Est. income '82	$8,028,324,000

As recently as 1980, New Haven—even in rosy days associated with Yale's ivy halls, rather than a thriving economy—remained hopeful, but far from assured, that it could find the magic formula for business revitalization and large-scale urban renewal.

Given its industrial and manufacturing backbone, New Haven—indeed, the entire state of Connecticut—felt the brunt of the 1970s recession and entered the 1980s in need of new rivers of employment, as well as resources for rebuilding.

Today, according to Doug Marsh, president of the Greater New Haven Chamber of Commerce, things are looking up. First, the downtown area has undergone a series of facelifts; and less cosmetically, the deeper seeds for economic restructuring are being sowed.

"Things are much, much improved," Mr. Marsh says. "There is a buoyancy in the business community, particularly among business leaders, concerning both our future and the recent past."

Among other things, New Haven is receiving positive RSVPs for corporate relocation into the area: Bristol-Myers Co. plans to install extensive research and development facilities over the next seven years, and Saab-Scania of America, located in nearby Orange, has committed to building a truck facility.

In addition, Mr. Marsh says, downtown New Haven is stepping out anew. The Rouse Corp., which most recently replenished South Street Seaport in Manhattan, has contracted to rebuild a downtown shopping mall. Key retailers, such as Macy's, have restated their New Haven commitment.

New Haven's theater district—a critical training ground for not only Broadway plays but off-Broadway talent—has also been overhauled. A refurbished Schubert Theatre is scheduled to open in December, with a new Palace Theatre (formerly the Roger Sherman Theatre) not far behind. Union Railroad Station has been renovated to the tune of $28 million; another $30 million has been plowed into the rebuilding of Yale-New Haven Hospital. Next on the agenda is a similar rehabilitation of the Temple Medical Center.

The list, Mr. Marsh maintains, goes on. Downtown shopping areas adjacent to Yale are receiving new sidewalks; condominiums are sprouting. Not surprisingly, he says, the renewed downtown spirit and renovated space has attracted lawyers, accountants and other professionals.

Just who is behind all this activity? According to Mr. Marsh, Yale University and the Knights of Columbus, whose headquarters are in New Haven, have been particularly helpful. But, he stresses, so have quite a few private investors, whose spirit and commitment to New Haven "is like nothing I've ever seen.

"The town commands a lot of loyalty and caring," Mr. Marsh says. Yale itself boasts an aura of pride and tradition; so much so, Mr. Marsh says, that people who have been associated with Yale, in whatever fashion, will return with families and careers in tow. Yale also contributes a heterogeneous and international flavor to the area, given its far-flung pool of professorial and student talent.

As for neighboring Waterbury—once known as the "Brass Capital of the World"—it too feels happier, but only after some brutal years. Blitzed by the recession, Waterbury has made inroads in broadening its economic base from manufacturing and heavy metals, and has begun sustained downtown redevelopment.

Equally important, the unemployment rate has dropped from its mid-1970s high of 14% to 16%, and now hovers at 5.7%. The drop reflects the city's gradual recovery from the collapse of the heavy metals industry—Waterbury's mainstay.

Hard times were epitomized by Anaconda Corp.'s relocating several of its divisions to suburban Chicago and by other such corporate desertions. Waterbury fought back, however, principally through the formation of the Naughatuck Valley Development Corp., which in one of its more notable coups bought the vacated premises of the Chase division of Century Brass for $1, and renovated it with the help of an Economic Development Agency grant and a grant from the Connecticut Economic Development Agency.

Today, the restored premises are 65% occupied and have created some 700 new jobs.

As for Meriden, it has overcome problems festered by the Meriden Mall's being abandoned by such key tenants as Barker's Discount Store and Stop & Shop supermarket. The good news is in construction, namely a photographic joint venture between Fotomat Corp. and Konishiroku Photo Industry of Japan on Interstate Hwy. 91.

Serving the New Haven market area daily is the morning *Journal-Courier* and the evening and Sunday *New Haven Register*.

The area is also served by three fm and three am radio stations, and a variety of cable programing.

Providence, R.I.

Population '80	618,514
Rank	67
Est. income '82	$7,994,318,000

If Providence has appeared to be left out of the action that nearby Boston has enjoyed over the past several years, then appearances are truly deceiving, said Ken Orenstein, executive director of the Providence Foundation, a development coordinating committee. It's not that nothing had been happening in Providence before,

Rural area growth tops cities

By David Snyder

A new analysis of the 1980 U.S. Census shows a quiet shift going on in the U.S. population. Rural regions, it seems, are growing faster than metropolitan areas. Many say this flight from urban life has been so unexpected that it has caught a lot of people off guard, including some population experts.

It has hardly surprised Calvin Beale. Mr. Beale, director of population studies at the U.S. Department of Agriculture, spotted the trend in 1970 and is recognized as the first to look into it.

"Almost any adult in the U.S., in any professional capacity, whether it be advertising or marketing . . . lived in a set of decades in which if there was one axiom that seemed to be true, it was that population flowed from rural to urban," says Mr. Beale. "People weren't looking for changes, but any specialized study over the years made it clear that things were going to turn around."

Many of the former city dwellers, the statistics suggest, are young people in search of independence and less structured living. One result is a renaissance in independent entrepreneurial activity in such fields as bed and breakfast hotels and specialty stores. "People are not maximizing income; they are maximizing satisfaction," Mr. Beale says.

The study that reinforces Mr. Beale's theories was released this year by the Rand Corp., which used Mr. Beale's self-styled technique to analyze the 1980 U.S. Census, further spotlighting the nation's new romance with country living. For example, the Rand study showed the rural areas of New Hampshire and a large portion of the Ozark and Rocky Mountain areas were growing at twice the national average, while many metropolitan areas in the same regions were growing at below the national rate.

That Mr. Beale was able to sense a trend so early on only attests to the unique insight he brings to the analysis of population data. In his 30 years of tracking population patterns for the USDA, Mr. Beale has developed unorthodox techniques for pinpointing shifts in rural and metropolitan living that has attracted the attention of business executives seeking more precise methods of market analysis. His methods impress marketers because he looks at the data in terms of integrated social and economic units rather than traditional political boundaries.

His approach disregards accepted geographic boundaries such as state lines when dividing the U.S. into measurable demographic regions. Instead he carves the 50 states into about 500 subregions, each with its own homogenous economic, geographic, cultural and historical characteristics. For broader analysis, he combines the subregions into 26 larger regions. To get a sense of how the 500 subregions should be drawn, Mr. Beale not only relies on census data, but also on studies done by local colleges and universities.

But Mr. Beale's statistical analysis is accompanied by what the Rand Corp.'s population expert, Peter Morrison, calls a "type of observation and insight," which Mr. Beale acquires by traveling to hundreds of the nation's small towns and villages in search of common demographic characteristics and changing population trends.

Over the past three decades Mr. Beale has traveled to more than 1,700 of the nation's 3,100 county seats, talking to local USDA officials, area real estate agents, members of local chambers of commerce and even, on occasion, individual shopkeepers. It's all in his quest for new data for his analysis.

To keep pace with population changes, he travels to about 50 new counties a year. "I still have 1,400 to go," Mr. Beale says.

The technique he devised for use by the USDA to administer government programs is also catching on in the private sector. Following the release of the Rand Corp. study, Mr. Beale's office received dozens of inquiries from corporate marketing departments requesting information about his analysis.

Barry O'Brian, manager of merchandising and planning with Phillip Morris Inc., is looking towards Mr. Beale's technique as a means of breaking down market segments into smaller, more precise units.

"In 1950 it may have been entirely acceptable to look at large blocks of population and group them together, but today that's entirely unacceptable," Mr. O'Brian says.

Most marketing analysts break the entire country into 90 regions, but he adds that the regions are "usually too large to make a statement about the area."

As more people find rural living attractive, Mr. Beale says that he expects a sustained movement into smaller towns and villages.

As for himself, a life-long Washingtonian, Mr. Beale says he has no desire to abandon his urban life style. "The country is a nice place to visit," he says, "but I wouldn't want to live there."

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but "now things are visible. There's been a lot of groundwork completed," he explained, which makes the sudden burst of construction and development possible.

The largest of these is the Capital Center Project. The project, said Charlene Hall, executive director of the Capital Center Commission, is an effort to remove the "Chinese Wall" that has cut across downtown Providence since the railroad first ran tracks past the base of the state capitol. It is a $120 million project to relocate the railroad tracks and open 60 acres of prime downtown land for development.

Construction has begun and the track work is expected to be completed in 1984, Ms. Hall said. After that, the Capital Center Commission will supervise the development of the newly opened land. Guidelines for that development have just come into place, she said.

A second major project that promises to open even more area to future development is the newly announced harbor revitalization project, combining city, state and private resources. The harbor project involves 4.5 linear miles of Providence waterfront and, depending upon how far inland you calculate, 100 acres or more of prime waterfront property would be opened for development.

Funding is already in place for highway changes designed to help facilitate access to portions of the waterfront project and eliminate obstacles to waterfront development, noted Mr. Orenstein. One private development, Richmond Square Technology Park, is a $6 million project currently under construction.

The over-all project, expected to take seven to eight years to complete, may generate about $125 million in private development in addition to state, federal and city funds that would be put into the road and harbor work. Parts of the project are to be essentially residential. Other sections, particularly around the downtown area, are targeted for mixed residential and commercial use, while other portions of the project would involve recreational facilities.

While the harbor project and Capital Center are the biggest projects going, there is other development, too. Davol Square is an old rubber factory that has been turned by private developer Rob Freeman into a marketplace similar to Boston's highly successful Quincy Market. The restoration project includes offices and a retail arcade.

LaSalle Square is the last remaining urban renewal project in downtown Providence, noted Stanley Bernstein, director of the city's department of planning and urban development. The city's contribution to the project is an auto-restricted zone and the centralizing of public transportation.

Three private parties have expressed interest in further developing the parcel, which adjoins the Civic Center. Although a similar proposal fell through several years ago, this time Mr. Bernstein expects some sort of hotel-office-parking complex will be completed.

The Civic Center itself is suddenly facing stiff competition from the new civic center in nearby Worcester, Mass., the Centrum. The Providence Civic Center reports a significant drop in rock concerts, in particular, since the opening of the competing facility.

If the Civic Center is finding the going rough, Rhode Island's major banks appear to be prospering. Both the Oldstone Bank and Fleet Financial are building new office towers, and preliminary reports say that leasing is going along quite well, noted Mr. Orenstein.

Over-all, the service sector of the economy is going so well that there is something of an office boom in downtown Providence, added Ms. Hall. Rhode Island's service economy is doing very well with banks, insurance companies and advertising agencies showing significant growth.

The weakness, conceded the latest official report, is with the industrial sector. For instance, the anticipated boom along the Rhode Island coast to service offshore oil drilling in Georges Bank has failed to materialize as test wells have come up dry.

Tourism was up this past summer as beautiful weather and the America's Cup races brought visitors to the Rhode Island coast, but tourism won't replace the kind of economy that an oil industry would have generated, report local businessmen. And now even the America's Cup race won't be returning to Rhode Island, since the cup has been lost to Australia.

Providence has two daily newspapers, two network tv affiliates (plus one affiliate in New Bedford, Mass.), one independent station and one public broadcasting station. In radio, Providence has seven am and six fm stations, plus others in nearby towns. Additionally, it has two cable tv services, plus many others serving nearby towns and counties.

Springfield, Mass.

Population '80	515,259
Rank	83
Est. income '82	$5,085,049,000

Five years of construction and urban renewal in downtown Springfield, Mass., are finally paying off. "We're seeing the results of over one-quarter of a billion dollars in investment," said Gerald Hayes, vp, economic development with the Springfield Chamber of Commerce.

Those developments include One Financial Plaza, for Bank of Boston; Center Square, for the Springfield Institution of Savings; a new federal building and court house; a new downtown parking facility and a home for the area's resident theater company; State West; Morgan Square apartments; the rehabilitation of five buildings along Main St., and renovated Symphony Hall.

It's about time, said a lifelong Springfield businessman who watched the city's downtown deteriorate for years as business fled to suburban shopping malls. The revival began several years ago with Baystate West, a retail and office center including a Marriott Hotel. That project stood alone, however, as the downtown continued to deteriorate. One of the two remaining major retailers, Forbes & Wallace, finally went completely out of business, its building standing empty.

Now a $50 million project is slated for the Forbes & Wallace property adjoining Baystate West, situated in the center of all the new development. Included in the development are plans for a 300-room Sheraton Hotel.

Following Baystate West was the new Springfield Civic Center, but the facility continues to struggle. "It appears to be living on rock concerts and wrestling," noted an advertising executive at Springfield-based Milton Bradley Co. Unfortunately, as far as rock concerts go, the opening of The Centrum, Worcester's new civic center about 40 miles away, has attracted quite a bit of that business as well. The Springfield Indians use the facility for semipro hockey, but the National Hockey League Hartford Whalers play only 30 miles south, directly along Interstate Hwy. 91.

The Civic Center "is doing reasonably well," said Mr. Hayes, "although it is not in a profit mode." Basketball, however, may help the Civic Center. The Tip-Off Classic opens the college season and is held at the Civic Center, as are the finals of the National Collegiate Athletic Assn. Division II basketball tournament each spring. Another event, the Hall of Fame basketball game, brings two National Basketball Assn. professional teams to town for an exhibition game that caps a week of events and festivities.

In fact, the Basketball Hall of Fame will be moving to its new site in downtown Springfield, along the Connecticut River. Previously, the national attraction had lived in relative obscurity on the campus of Springfield College, where the game was invented. The new location of the Hall of Fame is expected to generate increased tourism in the city's center.

Combined with the environmental restoration of the Connecticut River and the creation of Riverfront Park alongside Interstate 91 in downtown Springfield, visitors will have more recreational activities to choose from. Heritage Park, part of a statewide system of urban parks, is also planned for the same area.

Industry is making a comeback inthe area. A major Digital Equipment Corp. facility on the old Springfield Armory grounds employs approximately 1,000 people. Relocating from Atlanta to Springfield is Sewell Plastics, added Mr. Hayes.

To accommodate anticipated industrial activity, three new industrial parks are being developed.

Meanwhile, to boost further interest in the city, a two-year promotional effort has been launched. The theme of the multimedia campaign is "Downtown Springfield. We've got it all together." The campaign is being funded primarily by Massachusetts Mutual Life Insurance, Albert Steiger Co. (the remaining major downtown retailer), the Springfield Institution For Savings and the Fontaine Construction Co.

The city will have a new mayor, Ritchie Neal, and the chamber of commerce is optimistic that under his new administration the momentum of development will continue.

Springfield is served by three tv stations, 12 radio stations (five of them am), two weekly papers, two daily newspapers—the *Springfield News* in the evening and the *Republican* in the morning—and Continental Cablevision of Springfield.

The markets that stand above the crowd

Source: Marketing Economics Institute, New York

Power in numbers

Fastest-growing markets in total population 1982 vs. 1977

	MSA/PMSA	Population (000)	% growth 1/1/83 vs. 4/1/80
1	West Palm Beach-Boca Raton-Delray Beach, Fla.	647.2	12.9
2	Las Vegas, Nev.	509.5	10.3
3	Houston	2,994.5	9.5
4	Fort Worth-Arlington, Tex.	1,062.9	9.2
5	Austin, Tex.	583.7	8.8
6	Orlando, Fla.	760.1	8.5
	Tampa-St. Petersburg-Clearwater, Fla.	1,751.6	8.5
8	Fort Lauderdale-Hollywood-Pompano Beach, Fla.	1,095.8	8.1
9	Miami-Hialeah, Fla.	1,756.3	8.0
	Riverside-San Bernardino, Cal.	1,681.0	8.0

With dollars to spend

Markets with the highest median disposable income per household

	MSA/PMSA	Disposable income (000)	Households	Median income per household
1	Nassau-Suffolk, N.Y.	$32,572,045	829.9	$32,538
2	Bridgeport-Stamford-Norwalk-Danbury, Conn.	11,067,409	287.7	31,395
3	Middlesex-Somerset-Hunterdon, N.J.	10,933,311	303.3	30,762
4	San Jose, Cal.	19,958,376	487.9	30,053
5	Lake County, Ill.	6,012,925	143.9	29,569
6	Washington, D.C.-Md.-Va.	44,889,437	1,223.2	29,505
7	Anaheim-Santa Ana, Cal.	29,158,500	745.6	28,756
8	Oxnard-Ventura, Cal.	6,996,341	185.0	28,134
9	Houston, Tex.	37,435,660	1,082.5	27,802
10	Bergen-Passaic, N.J.	15,487,863	466.5	26,758

Retail performers

Markets with the highest index of retail sales to disposable income

	MSA/PMSA	Retail sales (000)	Index
1	Atlantic City, N.J.	$ 2,426,641	162
2	Portsmouth-Dover-Rochester, N.H.	2,095,261	159
3	Los Angeles-Long Beach, Cal.	39,485,443	149
4	Corpus Christi, Tex.	2,141,225	148
5	Indianapolis, Ind.	7,694,993	139
6	Albuquerque, N.M.	2,442,295	132
	Johnson City-Kingsport-Bristol, Tenn.-Va.	2,023,864	132
8	Orlando, Fla.	4,456,693	128
9	Tucson, Ariz.	3,137,799	127
10	Fort Worth-Arlington, Tex.	6,467,094	125

Note: Index determined by dividing market's percentage of U.S. retail sales by its percentage of U.S. income.

Cashing in

Fastest-growing markets in retail sales, 1982 vs. 1977

	MSA/PMSA	Retail (000)	% growth '82 vs. 77
1	Atlantic City, N.J.	$2,426,641	118.3
2	Corpus Christi, Tex.	2,141,225	104.2
3	Portsmouth-Dover-Rochester, N.H.	2,095,261	102.9
4	Fort Worth-Arlington, Tex.	6,467,094	98.3
5	West Palm Beach-Boca Raton-Delray Beach, Fla.	3,852,603	97.6
6	Orlando, Fla.	4,456,693	95.9
7	Tucson, Ariz.	3,137,799	89.3
8	Houston	19,048,951	89.2
9	Beaumont-Port Arthur, Tex.	2,432,374	83.0
10	Fort Lauderdale-Hollywood-Pompano Beach, Fla.	6,835,579	79.8

Middle Atlantic

Albany-Schenectady-Troy, N.Y.

Population '80	835,880
Rank	55
Est. income '82	$7,551,154,000

The Albany, Schenectady and Troy area is a market where the old is giving way to the new in the midst of slow, steady growth.

The market, dominated by Albany, New York's state capital, and the industrialized cities of Schenectady and Troy, is at the confluence of the Mohawk and Hudson rivers. Immediately to the north are the Adirondacks; looming to the south are the Catskills.

The area, which grew only 3% in population in the past decade, has undergone major political and media changes recently, including a new mayor in Albany, a power position in that city's political structure and wholesale changes in media ownership.

Albany's longtime Mayor Erastus Corning died last summer after serving for more than 40 years. He was succeeded by Thomas M. Whalen III, president of the city council.

Mayor Whalen's policies essentially have followed those of his predecessor, whose Democratic political machine was characterized in most quarters as benevolent.

Ownership in the broadcast industry in the Albany market could be likened to a game of musical chairs. WRGB of Schenectady, once NBC's oldest affiliates, switched to CBS in September, 1981, after being courted for some time by CBS.

General Electric sold WRGB this August to Unicom Inc., which includes former CBS president John D. Backe among its investors. GE also sold its two local radio properties, WGY (am) and WGFM (fm), to Sky Communications in September.

When WRGB switched to CBS, the CBS affiliate at the time was WAST-TV, owned by Viacom International. WAST became the NBC affiliate and changed its call letters to WNYT.

Employment in the area is heavily tied to state government, which accounts for half of the 97,900 local, state and federal government employes monitored by the state's Department of Labor in the five-county Albany market. The unemployment rate was 6.7% in September, compared with 6.8% a year ago.

The slight improvement is attributable to a healthy nonmanufacturing sector, including finance, insurance, real estate and transportation.

The state government, on the other hand, could take little credit. In May, it laid off 3,600 workers in the Albany area and 9,900 statewide.

One company that has been hiring is Coleco Industries, which has a home computer manufacturing plant in Montgomery County near Amsterdam. Ford Motor Co. is rehiring for its assembly plant in Green Island in Albany County.

General Electric Co., however, has dropped 1,500 this year from its payroll in its giant Schenectady operation, effecting a rise in unemployment from 6.4% in midyear 1982 to 8.2% a year later in that city.

Most construction in the area is taking place in and around Albany. Crossgates Mall, located on the border between Guilderland and Albany, is scheduled to open in March, with anchor stores: J.C. Penney, Caldor, Filene's and Jordan Marsh.

Tentative plans at Colonie Center, now the area's largest shopping center, located several miles northeast of Crossgates, call for the expansion of Macy's and the addition of an unnamed major department store and a mall section for small shops. Expansion plans would bring total square footage to 1.2 million.

Also in the Colonie area, located near Albany County Airport midway between Albany and Schenectady, construction is under way on a 300-room Marriott hotel.

Albany County officials also have proposed a convention center in the Colonie corridor. Construction is to be completed June, 1984, on City Center, a convention center with a 2,500-seat auditorium in Saratoga Springs, about 35 miles north of Albany.

In Schenectady, 16 miles northwest of Albany on the Mohawk, work continues on the Plaza 400 downtown revitalization project. Supported by public funds, the program primarily involves facade improvement in a three- to four-block sector.

Proctor's Theatre, just off Canal Square street mall in downtown Schenectady, continues to get a new facelift.

Built by vaudeville king F.F. Proctor for $1.5 million in 1926, Proctor's just completed a $1 million fundraising drive that is helping to finance construction that includes two new marquees—both patterned after original signage—and an orchestra pit with an hydraulic lift for a new Wurlitzer organ.

One of the big industries in Troy, located on the opposite side of the Hudson River from northern Albany, is Rensselaer Polytechnic Institute (RPI), which has begun to attract industry to the area as part of its new three-part program to bring together academia and corporate America.

National Semiconductor recently just moved to Rensselaer Technology Park, where 130 out of a planned 400 acres are developed. The total acreage at the industrial park south of the campus on the bank of the Hudson is 1,200, most of which will remain recreational. RPI faculty serve as consultants for a number of companies in the park.

An old-fashioned newspaper war is looming in southern Saratoga County among Hearst Corp.'s combined morning *Albany Times-Union* and evening *Knickerbocker News*, the evening *Troy Times-Record*, the morning *Schenectady Gazette* and Gannett Co.'s much smaller evening *Saratogian*.

The aggressors in the war are the Albany papers, which just set up a news bureau in Ballston Spa south of Saratoga Springs.

Besides the tv stations and newspapers, the area is also served by three cable companies and eight am and eight fm radio stations.

Allentown-Bethlehem, Pa.-N.J.

Population '80	635,481
Rank	66
Est. income '82	$6,374,559,000

Billy Joel's hit song "Allentown" put the Allentown-Bethlehem-Easton area on the map as a symbol of smokestack America being left behind in a rapidly changing world economy. But the city fathers in the Lehigh Valley are not passively waiting for an economic miracle.

Drawing on the already strong apparel-manufacturing base in the area, Bethlehem is hoping to transform idled Bethlehem Steel manufacturing facilities on the south side of town into a manufacturers' outlet shopping district similar to the thriving outlet center in Reading, Pa.

Last summer, the city brought in consultant Iris Ellis, who specializes in such projects and who gave the concept favorable prospects for success. Now the city is searching for a developer and is ready to help with financing and site improvements.

Allentown, whose fate historically has been tied to Bethlehem Steel and Mack trucks, has made steady progress in diversifying its economic base. Particularly promising is Bell Labs' plan to build a $100 million high-tech facility in Lehigh County.

Bell Labs is now in the process of buying land from the county, and the project should take four to five years to complete, initially employing several hundred and eventually providing jobs for more than 1,000.

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tracting small businesses, such as Chocolate Cornucopia, a marketer of candy molds for the consumer market, which opened a manufacturing facility in Easton in July. To boost its efforts to nurture small business, Easton is counting on the Ben Franklin Partnership—a state-sponsored program centered at Lehigh University.

The program, one of four Ben Franklin projects in Pennsylvania, aims to attract new business through state funding matched by private contributions and donation of services. In Easton, $5 million in public and private funds will be used to develop a small business incubator, giving new enterprises low-cost space and other assistance during the startup phase.

The efforts to build new economic strength in the Lehigh Valley come in response to a recession that hit the area hard, with unemployment in the first half of 1983 going as high as 16% before stabilizing between 10% and 11% this fall. Bethlehem Steel, which has its headquarters in Bethlehem and several manufacturing facilities in the area, suffered a $1.4 billion loss in 1982, but a substantial portion of that reflected writeoffs for closing its Lackawanna, N.Y., facility. No further major plant shutdowns are expected at Bethlehem.

Meanwhile, the city of Bethlehem is trying to market, through Philadelphia-based Jackson Cross Realtors, a two-acre vacant site across from the recently completed 50,000-sq.-ft. Butz office building downtown.

Plans are for the site to be a mix of office, retail and first-class residential space. And at Bethlehem Business Park, a 100,000-sq.-ft. building is under construction for Guardian Life Insurance, which relocated its headquarters to Bethlehem from the New York area.

Bethlehem's downtown center doesn't have a strong retail trade, being eclipsed both by suburban malls and by Allentown, which 10 years ago converted a four-block section of its downtown core into a mall with canopy-covered sidewalks and two anchor stores: Leh's, a local department store, and a five-story Hess', the first department store in that chain. But Allentown, too, is feeling the pinch of competition from the malls, the biggest of which is the Lehigh Valley mall to the north of the city.

In fact, one of the major construction projects in downtown Allentown is the conversion of the former Zollinger-Harnett department store into office space. Most of the construction in the area, however, is taking place in Lehigh Valley Industrial Park, where local developer August Zumas is constructing a 102,500-sq.-ft. office building, and Burron Medical (a manufacturer of surgical and medical equipment and a major local employer) is slated to begin construction of a 140,000-sq.-ft. plant in April, 1984.

Since 1980, Allentown has also seen the addition of two hotels: An 80,000-sq.-ft. Sheraton in Hanover Township and a $13 million Hilton hotel and conference center downtown. And in 1981, both Keebler and Pet Foods opened manufacturing plants in the area.

Easton, in addition to trying to nurture new small businesses, is working to make the area more attractive for existing businesses. City officials are trying to attain port-of-entry designation for Easton to help local companies that serve international markets—such as Binney & Smith, the Crayola crayon manufacturer headquartered in Easton, and Ingersoll-Rand, a producer of mining equipment. The port-of-entry designation would allow companies to purchase goods abroad, assemble them in the Lehigh Valley and ship them out again at advantageous rates from the Allentown-Bethlehem-Easton airport.

The newspapers in the market are the *Allentown Morning Call* and the *Morning Call Weekender*, along with the *Bethlehem Globe-Times* and the *Easton-Wilson Express*, serving daily. The area is serviced by two network tv affiliates, an independent and a noncommercial public educational station, eight fm and six am stations, and receives cable through Service Electric Cable TV and Sammons Communications.

Bergen-Passaic, N.J.

Population '80	1,292,970
Rank	31
Est. income	$15,487,863,000

Bergen County has remained a reliable alternative for businesses that want to be in the metropolitan area, but not in New York City.

Neighboring Passaic County has successfully survived the economic tide that swept industry southward in the 1950s and 1960s.

Located almost halfway between Boston and Washington and only miles from New York City, these counties share a strategic position that is enhanced by excellent transportation networks and a ready labor force.

Bergen County is the home of more than 3,000 corporate headquarters, most of which were lured to the former farmland by advantageous tax policies and pleasant suburban living.

Passaic County has recently been rediscovered by the business community. It is emerging as a viable commercial center. Taken together, two developments in Little Falls provide 65,000 sq. ft. of retail and office space.

Passaic developers, now building with an eye to energy conservation and environmental consideration, have impressed commercial interests with reasonable rental rates.

Both counties show a rise in taxable property for 1982. According to the state treasurer's office, Bergen property is valued at $31.4 billion, an increase of $2 billion from the previous year. Passaic's increase is listed at $461 million, for a total valuation of $9.6 billion. Bergen defied recessionary trends of the construction industry in 1981, when it issued 1,821 building permits, 511 more than it did in 1980.

The 1980 census revealed a population drop of 64,960 for the area since 1970. The median age is 34.8. Retail sales for the area topped $7 billion last year, $5.25 billion of this figure coming primarily from the shopping centers of Bergen County.

Pilot projects to preserve Passaic County's inner cities have begun to take effect. Older factories are being used for light industry and compact industrial parks. The quality of life in Paterson and Passaic, both former silk and mill centers, has taken on an international flavor with the accent on Hispanic culture. The cities' shopping areas are beginning to lose their shabby appearance, but they do not compete with the high fashion shopping centers beyond the city limits.

Development in the Meadowlands sports complex at the southern tip of Bergen County has already assumed explosive proportions. Called the most valuable piece of real estate in the world, it envelops 20,000 acres. The $360 million complex is home base for professional football, soccer, ice hockey and basketball teams. Harness and thoroughbred racing share a track.

The Hackensack Meadowlands Development Commission regulates planning and construction for the area once known as "swampland." Six residential developments, shopping, cultural and health facilities are to occupy 3,000 acres here, while [illegible] acres have been reserved for industrial, commercial and transportation use. Corporate and industrial growth has already begun as high-rise building competes with New York's skyline.

The Meadowlands is expected to be a resource for the 19 million people who live in a ring around it. Along with other parcels of land in the Bergen-Passaic region, it combines land and land reuse with imagination and design to provide the optimum benefit to the residents.

The area's growth stems from an apparent cosmopolitan approach among planners and people who live here as much as to a renewed pride in the state itself. Because growth has enabled a variety of economic and cultural facilities to find a home in Bergen and Passaic counties, residents agree that New York is still a nice place to visit, but only occasionally.

The Bergen-Passaic market is served by the evening *Herald-News* in Passaic and the evening *Record* in Bergen County. A variety of cable services are available, and the market has several radio stations, in addition to the radio and tv signals from the nearby New York market.

American Segments, II

Headquarters: The right sites

Cities with most Fortune Service 500 head offices

		No. of headquarters
1	New York	62
2	Houston	21
3	Los Angeles	19
4	Chicago	18
5	Dallas	16
6	San Francisco	12
7	Boston	9
	Hartford	9
	Philadelphia	9
10	Atlanta	8
	Minneapolis	8

Source: *Fortune*, June 13, 1983

Paramus claims mall leadership

By Madelyn McCoy

There is one secret that Macy's couldn't keep from Gimbels. And it's apparent to everybody in northern New Jersey. Paramus, once an open-field community in Bergen County, has made inroads at stealing New York City's thunder by becoming a mecca for shoppers. It is the shopping mall capital of the world, or at least that's what its boosters like to call it.

Five major shopping centers dominate Paramus, and all lie within a five-mile radius of the center of Bergen County. Each of these malls feature one or more of the most prestigious names in retailing. These are stores that followed their customers when they moved across the Hudson River from New York City, Brooklyn and the Bronx during the post-World War II exodus.

The malls each sport a distinctive personality, but all exude an air of the affluence. Riverside Square boasts Bloomingdale's and Saks Fifth Avenue. B. Altman and Lord & Taylor anchor the Fashion Center, while Abraham & Straus and Sears attract middle-income shoppers to Paramus Park.

Older malls compete successfully for customers. Sterns Bros., which long ago closed its New York City doors to concentrate on the suburban market, is the major retailer at Bergen Mall. Across the highway, but connected by a walkway, is Caldors, retailing's new kid on the block.

The first mall to come to Paramus is located at the cloverleaf intersection of Routes 4 and 17, two highly trafficked highways close to the Garden State Parkway. Here, at Garden State Plaza, Gimbels competes with Bambergers, a member of the Macy family and New Jersey's largest department store chain.

Three of the malls have close to 100 stores; one has 110 stores. Many are branches of specialty stores that once graced main streets in the more affluent towns in Bergen County.

Retail sales figures for Bergen County, certainly helped by these malls, are staggering. Sales in 1982 reached more than $5.25 billion. Per household retail sales in the county top $12,000 a year.

Shopping in Bergen is not limited to the residents, however. Customers flock to Paramus from Westchester and Rockland counties in New York, from New York City and from Hudson, Essex and Passaic counties in New Jersey. The lure for New Yorkers is free parking. But more important is that New Jersey does not place a sales tax on clothing, as does New York.

Within this setting, mall promotions abound, and a number of malls maintain permanent attractions for the customers. One has a resident theater, another an international food bazaar. By the time the mall closes at 9:30 p.m., the air has become permeated with a multinational aroma.

Major department stores vie for the shoppers' palates with myriad mall restaurants. Many specialize in one form of cuisine or another. Crepe restaurants are popular.

Mall retailers are not the only people who experience the pleasant ring of the cash register in Paramus. The highways that lead to the malls are edged with a large number of specialty stores that attract buyers with advertised specials or unique merchandise. Many are discounters; they feature identical brands at lower prices. Others carry a larger assortment of a single item, carpeting, for example.

Shoppers need cars to get to Paramus, and car shoppers can probably find their dream car there. Auto sales in Bergen County total $700 million yearly, and many of the dealers are located on Routes 4 and 17, in Paramus. Bergen County dealers outsell car dealers in 15 states.

Still, it is not surprising that shopping malls have been good to the taxpayers of Paramus. The municipality enjoys a low tax rate, even though it has also experienced enormous residential growth, which requires necessary but expensive services and schools.

And Paramus continues to draw shoppers to its boundaries. Even the $100 million shopping center planned in the Meadowlands, located at the southern end of Bergen County, does not dampen the enthusiasm of retailers in Paramus.

Madelyn McCoy is executive editor of Worrall Publications, Maplewood, N.J.

Buffalo, N.Y.

Population '80	1,015,472
Rank	40
Est. income '82	$8,916,002,000

The 1982 recession year hastened the decline of Buffalo's steel and auto industries. At the same time it accelerated the growth of its financial services, high technology and education sectors.

Two major employers, Bethlehem Steel Corp. and General Motors Corp., announced plant closings that affected thousands of workers. Other smaller industries went bankrupt or curtailed production and employment.

Yet other sectors prospered. Two regional savings banks became large, multistate thrifts. The University of Buffalo emerged as a major research center, and the computer boom brought prosperity to new companies.

At Bethlehem's Lackawanna plant, the end of basic steelmaking in 1983 meant permanent layoffs for 7,300 employes. The plant, once the world's third largest steel facility, will shrink to two finishing operations employing 1,300; at one time it had 22,000 employes.

State officials estimate the shutdown could affect as many as 8,000 jobs in related industries.

Republic Steel Corp. mothballed its Buffalo plant in 1981. Analysts predict the 2,500-worker plant will be permanently closed or sold when Cleveland-based Republic Steel combines with LTV Corp.'s Jones & Laughlin Steel subsidiary.

General Motors Corp. announced in June that it will close its foundry in Tonawanda, a decision that will affect 2,200 workers and could cause problems for the nearby Chevrolet Motor plant, which employs 3,000. GM now employs 16,000 in the area, with 3,100 remaining on layoff.

Ford Motor Co.'s stamping plant, which will make parts for Ford's new Tempo/Topaz models, has shaken off the recession's effects and now employs 2,700, with another 900 on layoff.

Several chemical and energy businesses also have suffered. Mobil Corp. closed its 250-employe refinery in 1981, and Ashland Oil Co. closed its 300-employe Tonawanda refinery in 1982. The Carborundum Co. restructured its Niagara Falls operations, closing one abrasives plant and selling another. Carborundum, with 2,000 employes in the area, has lost 1,250 jobs since 1982. With plans to concentrate on high technology materials and processes, Carborundum opened a $700,000 microcircuit plant in 1983 and announced it will spend $7.7 million on advanced ceramics development.

While heavy industries faltered, two Buffalo savings banks progressed. Acquiring more than a dozen banks in four states, they emerged as industry-leading thrifts prepared for the coming of national banking.

Buffalo Savings Bank changed its name to Goldome Bank for Savings. Its $10.2 billion in assets, New York and Florida banking network and national subsidiaries made it the country's second-largest savings bank. It recently opened a $55 million headquarters on Main St., and announced plans to go public in 1984.

Erie Savings Bank, now Empire of America FSA, increased its assets to $6.7 billion through mergers with banks in Florida, New York, Texas and Michigan. Empire, whose Metroteller electronic banking subsidiary is the nation's largest, in October opened the first four of 80 financial service centers that will sell real estate, insurance and securities. Empire is also planning to go public.

Main St.'s revitalization has been aided by Goldome's new headquarters, the new $16 million Norstar building across the street and the adjacent 400-room Hyatt Hotel, a $38 million project that is nearing completion.

The area surrounded by the three buildings has been designated Fountain Plaza, but that plaza will be just one part of a 1¼-mile, $42 million pedestrian mall that will be served by a 6.4-mile rapid transit line now nearing completion.

The mall has won federal and state funding approval and is being designed.

The University of Buffalo is becoming a major research center, which UB officials say will boost the area's high technology sector. UB is preparing a state-funded medical instruments research center, which has received $1.7 million in private research contracts.

The Calspan Advanced Technology Center has agreed to run another research laboratory with UB in Calspan's Cheektowaga plant. Calspan will contribute $3 million to the 30-man laboratory.

UB in October announced a $1.1 million gift to build a research center near its Amherst campus. The university also is constructing three academic buildings worth $20 million on that campus. The Main St. campus is being transformed into a health sciences center, with three construction projects worth $68 million.

Buffalo lost a newspaper in 1982, when the morning *Courier-Express* ceased publication. Its competitor, the *Buffalo News*, added a morning street edition. The *Niagara Gazette* in Niagara Falls switched from evening to morning publication.

The market is also served by five tv stations, five cable tv services, 11 am and 11 fm radio stations.

Harrisburg-Lebanon-Carlisle, Pa.

Population '80	555,158
Rank	76
Est. income '82	$5,776,548,000

As a former railroad town that survived the demise of that industry, as well as the closing in the mid-1960s of a large Air Force base that had been considered vital to the local economy, Harrisburg is a city with a good track record for making the best of a bad situation. Its current challenge is to transform the downtown section into an attractive cosmopolitan hub for regional development in central Pennsylvania.

The city's efforts toward that end are aided by the employment stability Harrisburg enjoys as the state capital. The Commonwealth of Pennsylvania has 37,000 employes, and trade associations, lobbying groups and a large government-associated professional community have helped keep the city relatively insulated from the recession, which devastated much of the state.

Harrisburg's unemployment rate at the end of 1982 was 6.2%; by the fall of 1983 it had edged up to 6.7%, but historically there has been little fluctuation in the rate. It has usually been below the national average.

Other major, equally dependable employers in the area are the U.S. Naval Supply Depot, which employs 6,000; the New Cumberland Army Depot, with 3,000 employes, and the U.S. Army War College, the army's premier strategy school.

The problem now is that much of the residential, retail and—recently—office development, has taken place in the suburban areas, particularly the West Shore, leaving downtown Harrisburg deserted after 5 p.m., when government offices close.

That poses a problem for regional development groups, which are striving to further diversify the economic base by attracting new businesses to the three-county area; Dauphin County, home to Harrisburg; Cumberland County, which contains the growth-oriented West Shore, and Perry County, which doesn't have a traffic light within its borders.

One Harrisburg businessman said many prospective clients are interested in locating within the region until they see the downtown area, which desperately needs more retail development, cultural facilities and other amenities to "bring people to the center city and keep them there."

Some progress has been made, particularly in Harristown, a large sector of the downtown area south of the [illegible]pitol complex targeted for a $500 million development program. The idea is that construction of two or three big anchor buildings would spark other private development in the area. Thus far, two important components have been completed. One is 333 Market Street, which houses the state's education department, other offices and specialty retailers on the ground floor. The other is Strawberry Square, which contains two floors of retail space topped by offices.

Pomeroy's, a local department store with a main branch downtown and a tie-in to Strawberry Square, is the only major retailer in town. But the Strawberry Square shopping center has touched off early stages of a retail revival of smaller shops along adjacent side streets, which had been lined with boarded-up storefronts.

Nevertheless, the major retail activity is still concentrated in the Harrisburg East Mall and the West Shore's Capital City Mall, where Hess's, a Pennsylvania-based department store chain, serves as the anchor store for both.

Other segments of Harristown that have yet to get off the ground are a convention center-hotel complex (which has been caught in political infighting over selection of a developer) and a third state office building, the construction of which is tied to a go-ahead on the convention center-hotel. Currently, the only major convention facility in the area is the Hershey Lodge and Convention Center, in nearby Hershey, headquarters of Hershey Foods Corp. and Hershey Entertainment and Resort Co.

Elsewhere, another important step toward improving Harrisburg's image is being taken. Site work has been done for a new airport terminal, which is now in the design phase. Major ongoing or planned construction and renovation in the Harrisburg area include:

- Construction of a 200,000-sq.-ft. headquarters building on the West Shore for Pennsylvania Hospital Insurance Co. The project began this fall and is scheduled to be completed in 1985.
- Expansion and renovation of Harrisburg Hospital at a cost of $20 million. It joins Hershey Medical Center (a research and teaching hospital affiliated with Penn State University) as one of the area's top employers.
- Construction of a new 155,000-sq.-ft. engineering and design complex for AMP Inc., a manufacturer of electronic components, which employs 5,500 people and has 26 facilities already in the Harrisburg area.

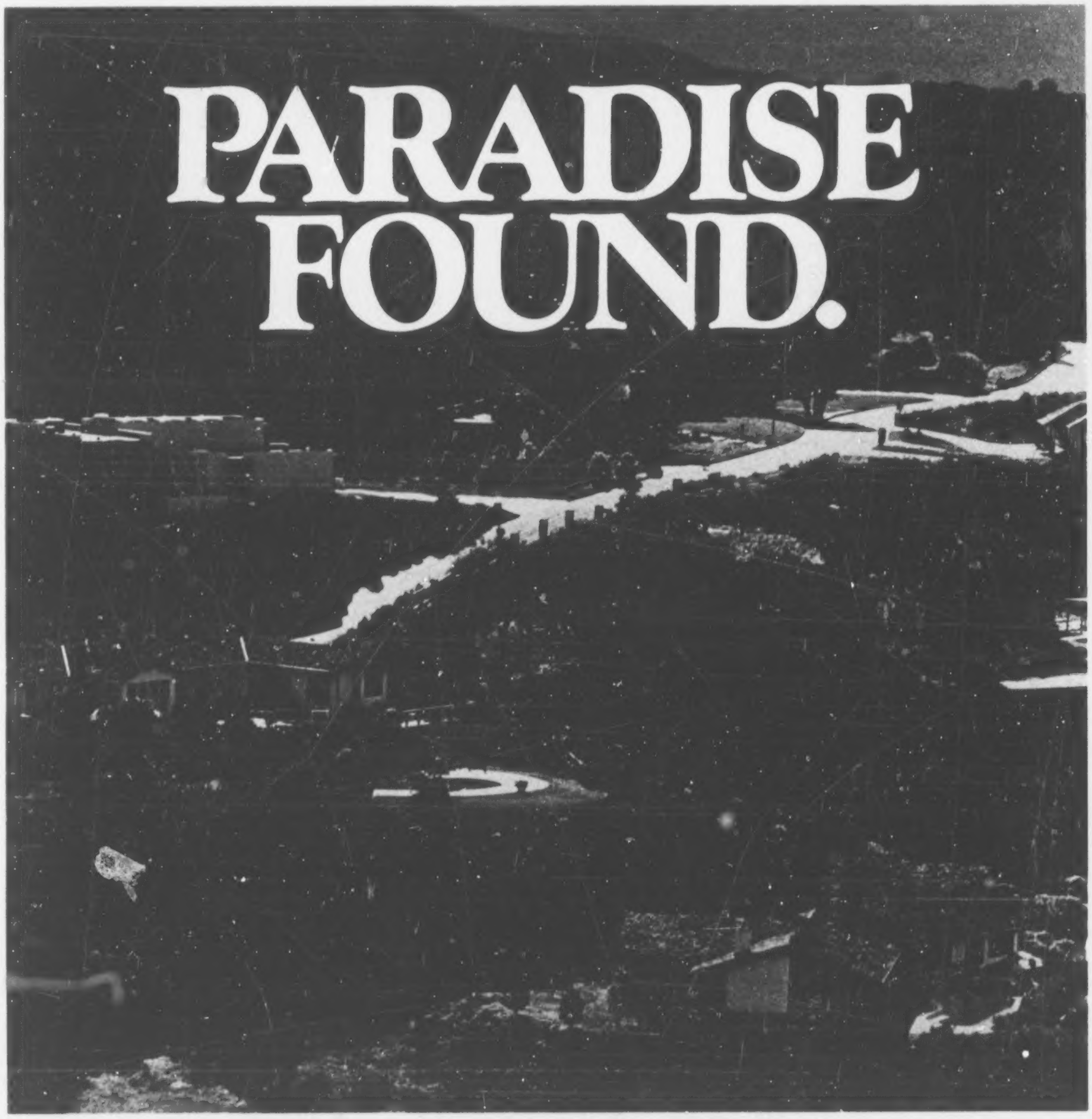
In the last three years, the city has succeeded in bringing in some new businesses. Tru-Temper Hardware relocated its national headquarters from Cleveland to Harrisburg, and American Waterworks Service Co., which owns several water systems in the state, located its headquarters in the area. Also, Owens Corning is taking over an old Libbey canning plant on the West Shore to produce Fiberglas building products.

Harrisburg has two daily newspapers and one weekly. The area is served by seven am and seven fm radio stations, five tv stations and eight cable tv services.

Jersey City, N.J.

Population '80	556,972
Rank	75
Est. income '82	$5,847,491,000

A seven-minute train ride from downtown Manhattan, Jersey City stands next in line to benefit from New



Santa Clara County holds the richest 1.4 million consumers in Northern California.

Fifty miles south of San Francisco lies a marketer's dream, the San Jose MSA (Santa Clara County). Its 1.4 million residents live in the center of what may be the largest concentration of New Money in America, money from high technology.

The average Santa Clara household earns the richest EBI of any metro area in Northern California. That's $33,051 of spendable income per household[2]

Last year, Santa Clara County residents spent over $8 billion among their local retailers with remarkable amounts concentrated in the medium and high priced lines[3]

The only way to reach this seller's paradise effectively is with the Mercury News. The Mercury News reaches metro San Jose's New Money—52% daily, 5-issue reach 67%. The San Francisco Chronicle/Examiner barely reaches 11% on a good day[4]

So if you're looking for sales, look for the people with money to spend. California's New Money is in the San Jose MSA (Santa Clara County). That's why the Mercury News produces such heavenly results.

THE SAN JOSE MERCURY NEWS

Reaching Northern California's richest million people!

[1] Based on average household EBI, California Metro Markets. [2&3] Sales and Marketing Management Survey of Buying Power, 1983. [4] San Jose "Continuing Market Study," 1981/82, Belden. Represented by KNIGHT-RIDDER NEWSPAPER SALES.

York City's economic growth, as neighboring Hoboken already has. Like many cities in the Northeast, the state's second largest municipality's manufacturing base has dwindled, and its unemployment rate stands at 11%.

But today its abandoned buildings and undeveloped property—particularly its waterfront vacated by the railroad years ago—are considered prime real estate.

As a result, Jersey City is deluged with massive, billion-dollar commercial, industrial and residential development projects.

Developers call it a boomtown; New Jersey's Sen. Bill Bradley has claimed, "Jersey City has the greatest potential of any city in the East."

Mayor Gerald McCann, a conservative, pro-business Democrat and a Reagan supporter, can also be credited in part for wooing Manhattan businesses hunting for less-expensive office space, as well as private developers seeking to cash in on the New York area's unrelenting condominium craze, in which increasing numbers of young professionals are switching from renting to buying.

This year the city was awarded a $40 million Urban Development Action Grant—the largest ever awarded—for the first phase of Harbor City, a $2 billion development project along the city's northern waterfront.

The grant is to be used to help build roads and sewers on the 200-acre tract of land, demolish old buildings and build a new parking garage.

The project, sponsored by the city and three private development companies, comprises a 750,000-sq.-ft. shopping mall, 1,000 residential housing units and 500,000 sq. ft. of office facilities.

Another major waterfront development is Harborside Terminal, an abandoned refrigeration warehouse that is being converted into 2.3 million sq. ft. of office space.

Harborside is one of the world's largest privately owned waterfront properties.

Harborside's first tenant, Bankers Trust of New York City, is moving its entire data processing center. It is expected to have 150 to 250 employes.

To prepare the city's unemployed with skills demanded by the inflow of such high-tech service businesses from New York, Jersey City's Private Industry Council, with $2 million of federal funds, has planned several employment and training programs, which include teaching computer skills, according to director Anthony Corsi. Jersey City intends to become a home for the "back office" operations of New York's financial houses.

Citibank is moving into Journal Square, the first office construction in 50 years in Jersey City's central business district. The 15-story office tower is being renovated to offer 100,000 sq. ft. of new office space, with a panoramic view of Manhattan.

Plans are under way to link Journal Square into a fiber optics network, under the development of the Port Authority and Merrill Lynch & Co.

The cable would link earth station satellite dishes located in Staten Island to Manhattan's World Trade Center, passing through Journal Square.

Developers hope that the opportunity to link up with the Teleport Satellite Communication Center at Journal Square will attract growing, data-intensive businesses to the area.

Hamilton Park Condominiums, one of the first certified historic restorations in Jersey City, comprises 86 residential units produced from 13 three and four-story buildings.

Using federal funds, the Jersey City Redevelopment Agency condemned the 13 buildings facing Hamilton Park and sold them to a developer for $470,000. The studios, about 520 sq. ft. in size, start at $35,000; one-bedroom apartments cost $62,000.

Two blocks east of Hamilton Park is a group of historic, 80-year-old buildings known as Betz Brewery. The brewery is eight contiguous abandoned brick warehouses ranging from three to five stories high, containing approximately 300,000 sq. ft. of floor space and 20,000 sq. ft. of vacant land. The brewery sold for $720,000 and is being converted into 195 rental units, a project that is costing $12 million.

Nearing completion is the Montgomery Gateway Project, a redevelopment of 100 acres of downtown Jersey City through rehabilitation of 220 residential units, new construction of 420 residential units and construction of nearby commercial and recreational space.

Still on the drawing boards are the Droyers Point, Caven Point and—perhaps most ambitious of all—the Exchange Place extension projects. Droyers Point, which offers 90 acres for residential development overlooking Newark Bay, is only minutes away from the New Jersey Turnpike. The site now holds Roosevelt Stadium and a marina.

Caven Point encompasses 132 acres of undeveloped public land, suitable for commercial and residential waterfront development. Proposals include development of 1 million sq ft. of midrise office space, 700 units of housing and a 500-room hotel.

The Exchange Place extension project envisions the development of 16 acres—14 of them underwater—for commercial development. The underwater property, which would extend the downtown commercial district at Exchange Place right into the Hudson River, nearly became the new home of the American Stock Exchange in 1977. Market and geotechnical analyses are being prepared to determine the extent of the site's development potential.

Media orginating from Jersey City include an afternoon daily (not published Sunday) and one weekly newspaper; a cable tv franchise is being litigated.

Middlesex-Somerset-Hunterdon, N.J.

Population '80	886,383
Rank	49
Est. income '82	$10,933,311,000

Middlesex County, says a spokesman for the county's planning board, is in the midst of transition. A moribund manufacturing economy has been replaced by a thriving service base.

One major recent development, for instance, was Merrill Lynch's move to set up offices in the county. In addition, Johnson & Johnson, which already has a major office complex, is reportedly considering the construction and development of another.

In the middle of this activity is New Brunswick, the seat of Middlesex County standing on the south bank of the Raritan River. It is the home of Rutgers University, one of the nation's oldest universities, and houses several of its campuses, including Douglass College, Cook College and the Livingsion and Bush units.

The university is taking a new look at its own financial health. The Rutgers University Board of Governors has established a Committee on the Future Financing of New Jersey's State University to seek new sources of funds.

The group, according to university spokesmen, will seek to increase state and federal aid and private giving. It will also consider obtaining income from land owned by Rutgers.

Meanwhile, the county continues to be plagued by controversy surrounding waste removal and landfills. Recently East Brunswick citizens group challenged local and county officials to change their plans for the construction of a major resource recovery plant in the township. A county planning board spokesperson points out that the county is fast running out of landfills, and there have been few suggestions for constructing new ones or coming up with "state-of-the art" plans.

Of note is a recent decision by legislators from Middlesex, Essex and Hudson counties to team up with area scientists, community groups and others to form an alternative to the state's Hazardous Waste Facilities Siting Commission. One of their missions will be to monitor the progress of new plant sites.

Somerset is undergoing an economic revival of its own, reports a spokesman for the county planning board. During the last few years, the county has been experiencing a dizzying pace of office construction.

The Beneficial Management building, completed last year, has more than 500,000 sq. ft. of space, while the Chubb Group of Cos.' new building adds another 500,000 sq. ft. of commercial space to the area. Also significant is the 1.4 million-sq.-ft. Atrium, which has yet to be completed.

One construction project that has been receiving extensive exposure is the Worlds Fair Corporate Center in Somerset. Companies that have already located to the Worlds Fair Center include divisions of Atari Inc., Telecom Plus of New Jersey, New Jersey National Bank, Metropolitan Life Insurance Co. and Royal Business Machines.

The heightened influx of businesses into both Middlesex and Somerset has come about because of improved transportation links. The development of the Interstate Hwy. 287 corridor links both the counties to Newark and Newark airport.

In addition, access to Interstate 287 means greater commuter convenience.

One factor boosting transit in this area is the $1.6 million Somerset County Transit Garage. Also, the Federal Highway Administration has approved the transfer of nearly $470 million in federal funds from projects that have been shelved to benefit transportation projects within the area.

In contrast to Middlesex and Somerset counties, Hunterdon County is primarily a residential area. However, it has been experiencing its own problems with waste removal and landfills. The High Point landfill was ordered closed because it was alleged to be an "immediate" threat to public health.

The three counties are served by a number of cable franchises, several uhf tv stations and about a half dozen am and fm radio stations. While the area is served by the *Newark Star Ledger*, there are a number of local newspapers as well.

Monmouth-Ocean, N.J.

Population '80	849,211
Rank	54
Est. income	$9,260,902,000

Explosive growth best describes the Monmouth-Ocean, N.J., region during the last decade. Affluent families, retired people and planned industrial growth have created a combination of resources that has turned this area, along the Atlantic Ocean in the central portion of New Jersey, into the fastest-growing one in the state.

The northeast may be experiencing a decline in population and jobs, but the Monmouth-Ocean region shows a staggering statistical growth. The 1983 *Sales & Marketing Management* Survey of Buying Power study reports that from 1977 to 1982 the area's population increased 11%. In addition, 75% of the households are "homeowner owned" and 33% have an effective buying income of $35,000. The median effective buying income for households is $26,183, a 99% increase above the 1977 level.

The area can attribute its success to its location, reliable transportation, climate and the quality of life in the region. The Garden State Pkwy., a toll road, opened up the former resort counties to "year-round living." Although some of the residents commute to the metropolitan area, others have found jobs in the publicly owned industrial parks and in businesses that have flocked to the counties.

This has resulted in an upgrading of many roads, creation of others and a planned improvement of the rail lines. Housing starts also reflect the growth. Monmouth and Ocean Counties ranked second and third in housing starts in the state last year.

Nonresidential construction also continues at a fast pace. In Monmouth County, New Jersey Bell is building a $20 million corporate data center in Freehold Township. The total workforce is expected to number 400 white collar workers. American Bell is supposed to employ 2,000 workers when its major installation is completed in Middletown Township in 1985.

Ocean County's economic forte has become the industrial park. The county has taken full advantage of its vast open acreage and has developed tracts to attract light industry, trucking companies and packaging and storage industries.

The parks are owned by the municipalities in which they are located but were developed with the aid of the county and a large infusion of federal money. Lakewood, in 1978, was the recipient of $2.2 million, the largest grant ever awarded by the U.S. Economic Development Administration.

Since 1976, the parks have been responsible for the creation of an estimated 7,000 jobs. At least 20 new companies are expected to locate in Ocean County in 1983.

High-tech companies have been major employers in the region since 1972. As the counties have attracted a diversity of industries, however, the dominance of these companies has lessened. Fort Monmouth, a U.S. Army installation, has remained the area's prime employer, with more than 8,000 people on its payroll.

The urban pockets of the area were never large enough entities to become unmanageable. Although they have experienced some economic decline, they have not become the remnants of society as have the larger cities in the state.

Plans are under way to revitalize Red Bank with an office condominium complex and to add to the six industrial parks already in the urban areas of Ocean County. Asbury Park's boardwalk is being renovated by a consortium headed by the entertainer Johnny Cash.

The service industry also adds to the economic base of the region. Both counties boast year-round entertainment and restaurant facilities. This is in marked contrast to the seasonal leisure time offerings that used to dot the coastline not long ago.

The residential portions of the Monmouth-Ocean area range from horse farms, where breeding is becoming a definable industry, to tract housing and condominiums. The extended autumns and mild winters continue to lure older couples to retirement villages.

The oil crisis of 1973 forced many families to rediscover recreation closer to home, and these areas benefited as the New Jersey shore became more popular than ever.

Monmouth and Ocean counties were settled by the Lenape Indians, who fished and bathed in the friendly Atlantic Ocean. Later, pirates and whalers came to its shores, also attracted by the bounties of the sea.

Today, Monmouth and Ocean counties can attribute their successful growth to almost the same conditions that drew its earliest inhabitants. In one respect the early traditions continue; the area has enjoyed phenomenal growth because it has pirated both people and industry from the New York metropolitan area.

The area is served by a variety of cable services and publications, including the evening *Asbury Park Press*. There are also several radio stations in the area, in addition to those broadcast from the nearby New York and Philadelphia markets.

Nassau-Suffolk, N.Y.

Population '80	2,605,813
Rank	9
Est. income	$32,572,045,000

The Nassau/Suffolk market, made up of two suburban counties on Long Island, is one of the few areas in the Northeast that continues to show a rise in employment.

No longer considered solely a land of bedroom communities for New York City, the two counties are the home of more than 1,000 companies, many specializing in high technology, more than 20 colleges and a number of resorts and vacation spots.

Yet while the island continues to make economic progress, the national recession finally hit the area during the fiscal year that ended in September. The unemployment rate for the year averaged 6.8%, although it was back down to a more normal 6% by the end of the fiscal year. But even during that difficult year, the work force increased to 949,000 from 940,000 the previous year, a gain considered exceptional in the Northeast.

Much of the island's growth comes from companies in the high technology field. With more than 2,000 employes, Grumman Corp., producer of buses and military aircraft, is the island's largest private employer. Other major employers are New York Telephone, Long Island Railroad and Long Island Lighting Co.

Grumman, ranked 177th in the *Fortune* 500, has been based on the island since its founding in a garage in 1929. Other high-tech companies include Sperry Corp., Hazeltine Corp., General Instrument Corp., Fairchild Camera & Instrument and Ehrenreich Photo-Optical. Increasingly, foreign companies are locating on Long Island; they cite the advantages of being close to New York City without paying the high costs of rent demanded in the city itself. The cost of new office space ranges from $22 to $28 per sq. ft., much lower than the $35 to $60 per sq. ft. range in midtown Manhattan.

In Jericho and Melville, the trend of converting farmland into new office space continues. At Mitchel Field, construction of a $137 million European American Bank Plaza, with 12-story twin towers and more than 1 million sq. ft. of office space, is almost complete.

One of the oldest shopping centers on the island, Green Acres in Valley Stream has been completely renovated and includes a prototype of the Sears, Roebuck & Co. "store of the future."

Nassau and Suffolk also have some 125 industrial parks, 45 convention centers and nine regional indoor shopping malls. Tourism provides the area with close to $2 billion annually. There are about 300 hotels/motels and several more either in the construction or proposal stage.

Recently completed are a $27 million 391-room Marriott Hotel at Mitchel Field, near Nassau Coliseum, and Garden City Hotel, a $30 million project that attempts to restore old world elegance in creating a building reminiscent of its 75-year-old predecessor, demolished in 1971.

In keeping with a trend across the country, buildings are being upgraded to the highest economic permitted use, according to William E. Greiner, president, Greiner-Maltz Co., a research company that specializes in Long Island commercial real estate. He cited a number of buildings that have just been converted or are being converted from manufacturing to office and retail usage.

Recent housing starts are down considerably compared with 10 years ago, but are expected to increase slightly this year. In 1982, 4,800 permits were issued and 5,000 are projected for this year. But this compares with the more than 18,000 issued 10 years ago. The decline is most dramatic in Suffolk County, which is east of Nassau, where the number of permits issued 10 years ago accounted for 14,000 of the total and was down to 3,000 last year.

Analysts blame the drastic drop in the unavailability of money both to builders and prospective buyers. Money dried up when the state delayed in revising its usury laws several years ago and, once new laws passed, prospective buyers postponed purchases in the hope that interest rates would drop below a 10% rate.

The Brookhaven National Laboratory, Upton, which provides facilities

100

for conducting research in the peaceful aspects of nuclear science, had some bad news in October when the government decided to stop work on what was to be the world's largest colliding beam accelerator, a $325 million project. Formerly called Project Isabelle, the project was about one-third completed. Brookhaven has proposed that the nearly completed tunnel that was to house the machine be used for a less expensive heavy ion collider.

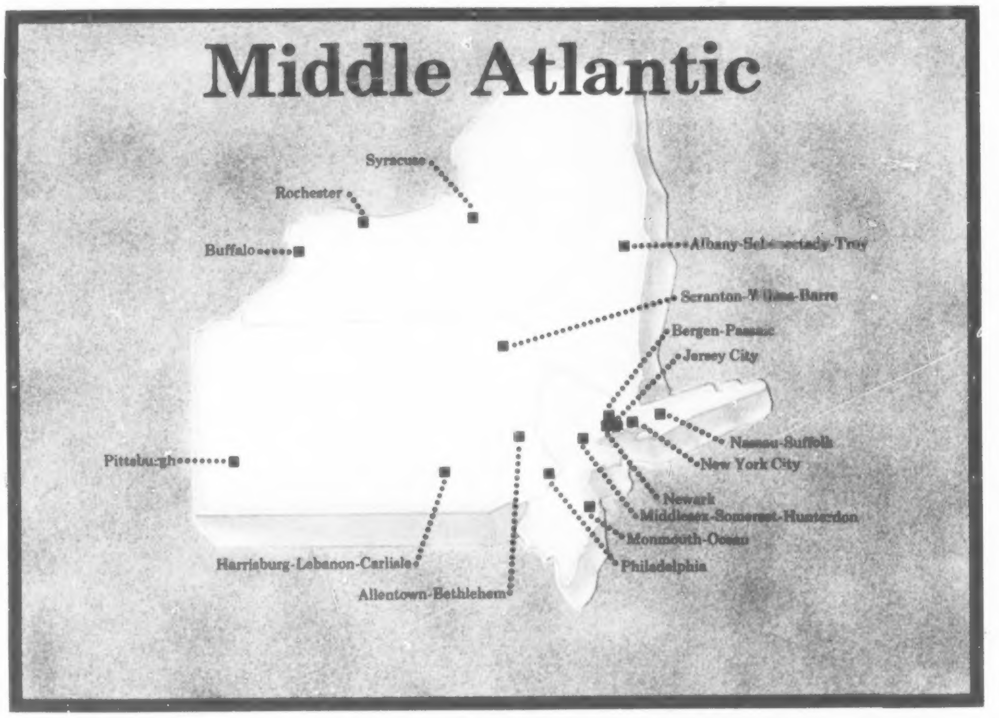
Another project, the National Synchrotron Light Source, has been so successful since it was put in operation a year ago that it will be expanded over the next few years. It is a source of X-ray and ultraviolet radiation for use by corporations and academic labs.

Controversy over the opening of Long Island Lighting Co.'s nuclear power plant at Shoreham continues to rage on several fronts. There are those who still are opposed to putting the plant into operation at all costs because of dangers to residents in case of accident, while others are enraged that the costs of the project have ballooned to $3.5 billion and may be passed on to ratepayers.

A recent staff report to the governor's commission on Shoreham has indicated that it will cost only 6% more to abandon the almost completed reactor than to operate it for 30 years. That finding agrees with estimates suggested by consultants to Suffolk County, while LILCO has maintained that rates would have to be increased an additional 18% if the Shoreham plant is not put into operation.

The area is served by one daily newspaper, one business weekly, 113 community weeklies, 11 biweeklies and monthlies, 26 magazines, two tv stations, 28 radio stations and 10 cable tv companies.

Middle Atlantic



New York, N.Y.

Population '80	8,274,961
Rank	1
Est. income '82	$90,431,904,000

It had to happen. The "I love New York" campaign, which has turned much of this market into a Rotary-style community of boosters, is beginning to inspire some sort of a backlash. Among its manifestations: The publication last year of a book, "I Loathe New York: A Humorous Look at the Rotten Apple."

Yet despite those who contend the Big Apple is rotten to the core, New York has managed to continue its remarkable comeback from the brink of fiscal collapse in the mid-1970s.

Sure, corporations keep moving their headquarters out of the city. Sure, the number of manufacturing jobs is falling.

Sure, orchestra tickets to a Broadway hit—a hit these days being any show that manages not to close on opening night—can cost 45 bucks apiece. Sure, the subways are dirtier and more crowded than ever.

But the crowds have little to do with an increasing population. In fact, from 1970 to 1980, the New York area lost more than 800,000 residents.

But no one can argue the city does not remain the vibrant, pulsating center of national, and perhaps even international, fashion, communications, retailing, banking, finance, arts, culture and publishing.

Recent developments in the market, east side, west side, all around the town, have tended to emphasize these strengths.

Downtown, the South Street Seaport, opened last summer, has already become a magnet for natives and tourists alike.

On the weekends, crowds at the Rouse development sometime resemble the subway at rush hour, though you certainly can't buy a drink, a baked potato or an "I Love Lucy" postcard on the IRT.

Between the giant Gimbels and Macy's department stores, Herald Center, in what used to be an E.J. Korvettes (and, before that, Saks 34th St.), is under construction, promising to bring the theme-mall ambiance of South Street Seaport to midtown Manhattan. The project, which calls for 200 shops and restaurants on 11 levels, is scheduled to open its doors next September.

New York Land Co. is developing the $50 million Herald Center, where rents are expected to range from $70 to $75 per sq. ft.

Also in midtown, the almost dizzying pace of new building is unabated, with "Coming soon" and "Now renting" signs seemingly on every corner. Among the showcases: American Telephone & Telegraph and International Business Machines Corp. buildings on Madison Ave.

A recent survey of commercial rents by Coldwell Banker Real Estate Consultation Services shows New York still has the country's most expensive office space, with rents ranging from $35 to $60 per sq. ft. in midtown Manhattan.

In the heart of Times Square, hard by some of the sleaziest pornographic movie houses and peep shows, the giant core of Marriott's Marquis Hotel is rising to the sky. Nearby, on 46th St., Restaurant Row has welcomed several new eateries.

Farther north, the formerly run-down Upper West Side, particularly along Columbus Ave., continues its hyper-gentrification into a chic and trendy neighborhood of boutiques, restaurants and shops.

The "smart" Upper East Side keeps spreading to more and more upper streets; the unofficial boundary line of E. 86th St. is being pushed northward to E. 96th St., as the blocks in between are occupied by everything from warehouses remodeled into condominiums to auto dealerships.

Manhattan isn't the only borough to benefit from the "I love New York" boom. In Queens, for instance, Silvercup Studios and Astoria Film Center are burgeoning movie-tv-video production complexes; the latter is the base for the filming of Francis Ford Coppola's new feature, "Cotton Club."

But most of the hoopla and hullabaloo is, as usual, concentrated in Manhattan. Perhaps this can be attributed to the borough serving as *the* major media center, home to three daily newspapers, six tv stations and 31 am and 35 fm radio stations (though some media, such as the Staten Island *Advance*, WOR-TV and numerous radio stations, are based outside Manhattan).

Manhattan is the locus for the nation's media, from American Broadcasting Cos., CBS Inc. and NBC to Conde Nast Publications, Hearst Corp. and Time Inc.

Newark, N.J.

Population '80	1,878,959
Rank	17
Est. income '82	$20,545,099,000

Even though Newark seems to be recovering from a severe economic slump, a full recovery is still years away. The city continues to be plagued by high unemployment, low levels of economic development and continuing declines in federal aid.

"We are faced with a declining population and an eroding tax base," said a spokesman of the Mayor's office for planning and grantsmanship. "That, in turn, has put a lot of pressure on the city."

Not that the community has not been seeing any new construction. Among the corporations that continue to build in the area are Public Service Gas & Electric, Prudential Life Insurance and New Jersey Bell. There are also plans to revitalize the Passaic River area through the development of commercial malls and residential condominiums. The city has been constructing more than 10,000 units each year, partly to replace older units and in part to meet new demand. The net housing gain, according to one observer, is closer to 5,000 units annually.

"For all the problems that we are facing, we are going through a quiet renaissance," said Calvin Reed, vp-marketing with Connection Communications Corp., the cable franchise for the city of Newark. He pointed to a growing improvement in city services, including healthcare and education.

Newark has slowly evolved into a center for higher education. Among the many institutions that now have facilities in the city are Rutgers Law School, New Jersey Institute of Technology, Seton Hall Law School, New Jersey School of Medicine & Dentistry and the Essex County College.

There has also been a marked improvement in the city's schools with an over-all increase in the average scores recorded by the city's students. The improvement coincides with the appointment of a new school superintendent.

Nonetheless, the city is faced with substantial cuts in the funds for police and firefighting services. Mayor Kenneth Gibson says the $5 million in general revenue sharing money awarded annually to Newark has remained at the same level since 1977. "The purchasing power of GRS has been effectively cut in half due to the changes in our American economy," Mayor Gibson wrote to President Reagan asking that he not veto the funds allocated to GRS, pointing out that any loss of funds would affect the quality of life and the slow road to recovery.

While funds for police and firefighters may be in peril, educational funds are not. Based on recent assessments of real estate in Passaic County, where Newark sits, there could be an increase of nearly 7% in the amount spent on the city's schools.

Newark has also been facing a mini-transportation boom. One Port Authority of New York & New Jersey spokesman said Newark airport experienced an increase of 39.6% in passenger traffic over the first eight months of 1983, compared with the same period in 1982. The total number of passengers who passed through the airport in 1982 was 11.7 million, an increase of 15% from the previous year.

One reason for the sharp rise can be attributed to the increased activity of PEOPLExpress, which now operates to a number of major metropolitan areas. Deregulation combined with the congestion in New York airports may cause a further rise in the passenger flow through the airport.

In terms of the media, Newark has long been without any tv station or cable franchise of its own. Recently, however, that has changed. Not only has the city seen its first vhf tv station, but it also has a fully functioning cable franchise.

The city received its first tv station when WOR-TV, moved its offices from New York to New Jersey. The move was initiated more by an attempt to forestall a hearing by the Federal Communications Commission on the station's broadcast license than by any urgent need to establish the state's first vhf station. The impact, however, has been all positive. There has been a marked increase and improvement in the coverage of the city, not only by WOR, but also by other New York-based stations.

The city turned on its cable system last year and the response has been "excellent," said Mr. Reed of Connection Communications, the cable franchise. Currently, it has a total of 18,500 subscribers to its basic service. In addition to its pay channels, the company also offers programing directed especially at the various ethnic groups within the community, inclusive of a Portuguese channel.

The area is also served by the daily *Newark Star-Ledger* and six radio stations, including two am stations.

Philadelphia, Pa.-N.J.

Population '80	4,716,818
Rank	4
Est. income '82	$47,925,300,000

Philadelphia is a town on the move. And much of the momentum is coming from Market Street East, a catch phrase that represents the giant renewal of the city's central downtown street, roughly between City Hall and Independence Hall. It is akin to the massive redevelopment that transformed Market Street West—on the other side of City Hall—into a corporate and retail hub during the 1960s and 1970s.

One key to Market Street East is the brand new Gallery II, a $120 million shopping mall that opened in October and adds some 105 speciality shops, restaurants and a J.C. Penney Co. store to the indoor shopping complex spawned six years ago, when the 125-store Gallery opened.

The expanded Gallery complex, developed by the Rouse Co., now spans the north side of Market St. between 8th and 11th Sts. and is also anchored by Gimbels and Strawbridge & Clothier department stores. Its 1.7 million sq. ft. makes it the nation's largest urban mall.

So far, the Gallery complex has been a roaring success. Last year, sales averaged $235 per sq. ft., about 50% higher than the national average. Spurred by that track record, 90% of Gallery II was leased prior to its opening. Rouse estimates suggest that Gallery II will pump some $5.3 million in tax revenue into the local economy (compared with $4.7 million from the original complex) and provide about 2,600 jobs.

Contiguous to the Galleries, work continues on the $75 million Market East Commuter Station. The new station is part of the $325 million Center City Commuter Tunnel system, which has been under construction for the last four years and is expected to begin limited passenger service in January, full service by summer or fall.

By closing a six-block gap between Suburban Station and Reading Terminal, the tunnel would connect the former Penn Central commuter rail lines and the former Reading Co. lines, both now operated by the Southeastern Pennsylvania Transportation Authority, doubling commuters' travel range between the north, west and southwest suburbs and Center City by interconnecting 200 stations in five counties. The tunnel would also encompass the Philadelphia International Airport-Center City high speed line also under construction.

Tourism continues to be a major source of city revenue. One major proposed project is a $401 million convention center, with space to the north and west that would permit another 450,000 sq. ft. in expansion. The Reading Co., which proposed the plan, has also secured an agreement with Hyatt Corp. to manage a 1,200-room hotel to be developed just west of the center at a projected cost of some $150 million.

The Reading Co. estimates that the center could generate some $1.2 billion to the city and state over the next 30 years and create some 8,200 permanent jobs. All of this hinges on the purchase of several acres of real estate (Reading's existing railroad station would be phased out by the new Market East station and incorporated as part of the convention center site), the relocation of some 150 businesses and 40 residences and the orchestration of hundreds of millions of dollars in financing.

Observers point out that the recent election of Democrat W. Wilson Goode will have more than a little bearing on the center's future.

Meanwhile, construction work continues on One Reading Center, a $76 million, 32-story office bulding at 11th and Market Sts., between Gallery II and the proposed convention center site.

Buoying the enthusiasm about Market Street East's gradual revitalization from sleazy, down-at-the-heels blight to shiny chic was outgoing Mayor Bill Green's announcement in September of a $14.1 million plan (including some $13 million in government grants and close to $1 million in pledges by a dozen Market Street corporations) to rebuild and beautify Market Street's sidewalks and roadbed between City Hall and Independence Hall, scheduled to begin next summer and to be completed before the 1985 Christmas shopping season.

Elsewhere, several new office towers and hotels—six new hotels in the last three years—are helping to ease the sting of business closings, such as the *Philadelphia Bulletin* and the Frankford Arsenal in recent years, and move Philadelphia closer to what local leaders see as its future as a services-medical/pharmaceutical-high tech center.

City officials also are promoting the country's fourth largest metropolitan area as an ideal tv or movie location—successfully, in the case of "Rocky," "Blow Out" and, most recently, "Trading Places."

Which is not to say that the Philadelphia Industrial Development Corp. has slackened its efforts to lure new industry with attractive financial packages and tax incentives.

Port development also continues to be an area of major concern. On the plus side, six-month figures released in October showed a 13% gain in general cargo for the first half of 1983, compared with the same period in 1982. Over-all, the recent figures showed only New York ahead of Philadelphia for total general cargo passed over North Atlantic piers. Another plus: Last year's new calls by QE2 were tremendous public relations for the port's cruise business. On the down side, hopes for Philadelphia to become a major coal exporting port have been stymied significantly by a slump in international markets.

There are other problems. High on the list of many critics is the need for business tax reform. Critics also are fed up with the political and legal hassling that continues to make cable tv off limits for most of the city.

Philadelphia has two general circulation daily newspapers, several neighborhood papers, five commercial tv stations, one subscription tv station, limited cable service and 24 am and 28 fm radio stations.

Pittsburgh, Pa.

Population '80	2,218,870
Rank	10
Est. income '82	$21,829,588,000

The bunching together of new office-and-shopping towers in downtown Pittsburgh resembles the huddle of the Steelers football team in one of its championship seasons.

Recently completed giants include the $150 million, 54-story One Mellon Bank Center, which serves as new headquarters for the expansion-minded bank holding company. Another is One Oxford Centre, a $70 million office complex, which also houses high-price specialty retailers and two of Pittsburgh's hottest new night spots: Hillary's restaurant and Harper's, a restaurant and jazz club.

Behemoths soon ready for action are PPG Place, a 40-story tower and five attendant buildings situated on 5½ acres in the heart of the Golden Triangle downtown. The $197 million project was designed by architects Philip Johnson and John Burgee, and its fantasy-like Gothic spires draw on the city's rich heritage of Gothic architecture.

Twenty-five retailers, primarily local, already have opened in the main tower, and retail space also is planned in three of the five other buildings nearing completion.

Also to be completed soon is North Shore Center, which includes three new office and retail buildings on the shore of the Allegheny River and development of a $2.2 million outdoor sculpture park. This private development is expected to trigger residential housing in that area, as the city's Renaissance II activity spreads from the Golden Triangle to riverfront sections adjacent to downtown and up Fifth Ave. toward Oakland, the heart of Pittsburgh's medical and university research facilities.

And there are further changes to come in the skyline of the Golden Triangle. A twin for One Oxford Centre is in the planning stages, and groundbreaking is scheduled this spring for Allegheny International's new $100 million headquarters in the city's theater district, an area also slated for renovation.

Suburban development is keeping pace with downtown growth, too. U.S. Steel's realty development division is in early stages of transforming 70 acres adjacent to its research center in Monroeville, an eastern suburb, into Wyngate Plaza, a combination of office and retail space and 30 acres of townhouses and garden apartments.

The corridor connecting the city to Greater Pittsburgh International Airport continues as a growth area, and is particularly popular for many of the 32 foreign companies that have established offices in Pittsburgh since 1980. Construction of a new $289 million airport terminal complex at Greater Pitt—now in advanced design stages—is likely to spark further growth in that area.

While the building boom is reshaping the face of the city, Pittsburgh's economic base is in the midst of a deeper transformation that is proceeding slowly but surely.

Through the first half of 1983, the unemployment rate in the Pittsburgh area stayed at about 16%, dipping below that to 13.5% only in July. The recession took its toll on white-collar workers in this city, which is the third-largest corporate headquarters in the U.S., serving as home for giants such as H.J. Heinz Co., Gulf Air, Alcoa and Rockwell International.

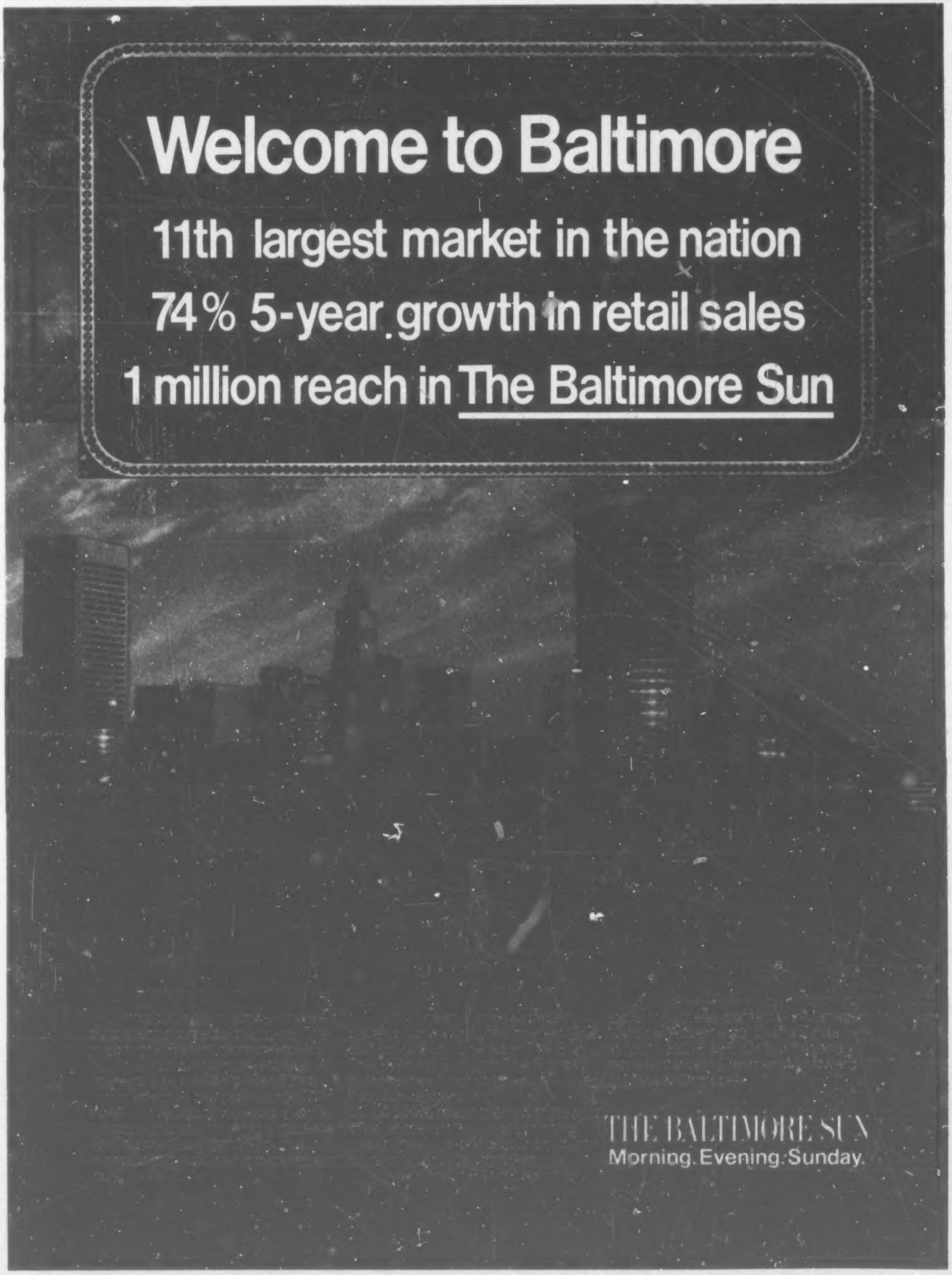
Both salaried and hourly workers continue to be trimmed from the workforce in steel—once the heart of Pittsburgh's economy—as that industry shrinks permanently. U.S. Steel is likely to close two major plants in Pittsburgh by year-end and cutbacks are expected at Jones & Laughlin Steel's two mills here as a result of a merger between its parent company, LTV Corp., and Republic Steel Corp.

Nevertheless, Pittsburgh is blessed with a number of essential characteristics needed to wean it from its dependence on heavy industry.

Those attributes include university research resources, which act as a magnet for private sector investment. Pittsburgh has long been known as a leading medical center—both for research, primarily at the University of Pittsburgh, and for its operating-room expertise in new fields, such as organ transplants.

From that environment, new high-tech medical companies have sprung up. And Carnegie-Mellon University is a leader in artificial intelligence and robotics research, a major portion of which is sponsored by Westinghouse Electric Corp.

Another major reason behind Pittsburgh's favorable prospects for economic growth is a strong local political structure, which still emulates the spirit of government and private enterprise cooperation forged in the 1950s, when Mayor David L. Lawrence and financier R.K. Mellon banded together to substantially wipe out factory smoke and soot that could


Welcome to Baltimore
11th largest market in the nation
74% 5-year growth in retail sales
1 million reach in The Baltimore Sun
THE BALTIMORE SUN
Morning. Evening. Sunday.

100

turn the downtown dark at noon on a sunny day.

A lot of the Renaissance II private sector construction was predicated on the city's construction of a $480 million light rail transit system, including a subway system linking the southern suburbs to four stations downtown. That system is scheduled to be completed in November, 1984.

In addition, the city this fall began a $14.6 million reconstruction of Grant St., which is the city's corporate headquarters row, aiming to turn it into tree-lined boulevard with a hint of the atmosphere of New York's Fifth Ave. That money is part of a total $75 million the city has allocated for street improvements in the Golden Triangle over the next six years.

Looking ahead, one of Pittsburgh's greatest civic challenges is to significantly expand its convention business. The city has the David L. Lawrence Convention Center, but not nearly enough hotel space. Progress is being made, however.

This fall, financing was cleared after many delays for construction of a $134 million, 619-room hotel and an office complex adjacent to the convention center. Construction begins July, 1984, with completion set for two years later. The bulk of the financing is coming from Metropolitan Life Insurance Co., and the hotel will be operated by Vista International. Also on the hotel front, a new 200-room hotel tower is planned to expand the Sheraton Station Square, and the Pittsburgh Hilton is undergoing a $4 million renovation.

Pittsburgh also is expanding as a sports center. Edward J. DeBartolo Sr., owner of the Pittsburgh Penguins hockey and Spirit soccer teams, has purchased the local U.S. Football League franchise, with the team to be known as the Pittsburgh Maulers.

Mr. DeBartolo also has his eye on the Cleveland Indians baseball team and has signed a contract with Warner-Amex (which now owns a substantial minority interest in the Pittsburgh Pirates) for cable broadcast of sports events at his Civic Arena.

Pittsburgh has two daily newspapers, two weekly business newspapers, five tv stations and one cable service (Warner Cable). There are 30 am radio stations and 12 fm radio stations serving the greater Pittsburgh area.

Rochester, N.Y.

Population '80	971,230
Rank	43
Est. income '82	$9,958,153,000

The economic downturn refuted the local myth that Rochester is "recession-proof," though it did seem to hold true as late as early 1982.

As the rest of the nation spun into recession, Rochester's largest employer, Eastman Kodak Co., added the disc camera and 6,000 jobs, more than offsetting job losses elsewhere in the local economy.

But continued recession through 1982, combined with the effects of foreign competition for Kodak and the area's second largest employer, Xerox Corp., finally caught up with Rochester. Kodak has laid off about 2,700 workers this year and cut several thousand other jobs through a voluntary incentive plan. Kodak employment now stands at some 55,000. Xerox cut about 2,000 jobs from a prerecession level of 15,000.

Still, only at its record peak of 10.4% unemployment in June of this year has the Rochester market failed to do better than national and state unemployment figures. In August, Rochester unemployment stood at 7.3%, compared with a state rate of 8.2% and a national rate of 9.5%.

As Rochester joins the nation in recovery, these pluses are obvious: Non-manufacturing employment is growing rapidly; Rochester has a mix of high-tech and information companies, such as Computer Consoles Inc. and Gannett Co. Rochester also has respected educational institutions with good technical credentials—the Rochester Institute of Technology and University of Rochester.

Most exciting to city officials is downtown Rochester's full-fledged boom.

The centerpiece is a $40 million state-financed convention center now under construction on the banks of the Genesee River, scheduled to open by early 1985. City officials expect it to pump tens of millions of dollars into the local economy.

It already has prompted Stouffer Corp. to take over a nearby hotel and help finance $20 million in renovations. Holiday Inn is spending $4.2 million to remodel its downtown hotel. And an entrepreneur from Buffalo, who built a Hyatt in that city, has announced plans to build a $38.5 million hotel adjacent to the center. All three are to be connected to the center by second-level walkways—city officials think this may be a unique attraction for conventioneers.

At the other end of downtown, the city and county are spending $18 million for a "cultural center" around the Eastman Theater, home of the Rochester Philharmonic Orchestra. A $5 million parking garage and $7 million YMCA have recently opened, but plans for a performing arts center are not yet complete.

Throughout the rest of downtown, another $50 million-plus is being invested in new and rehabilitated office buildings, restaurants and housing.

Elsewhere, the Federal Aviation Administration proposes to make Rochester the air-control hub of western New York because of the new $7.5 million control tower completed last fall at the Rochester-Monroe County Airport. In addition, airlines have spent some $4 million for terminal renovations in the past few years, and the county has budgeted $15.7 million to extend two jet runways and build two new small-craft runways. Construction is scheduled to start in 1986.

Rochester is served by two daily newspapers, 10 am and 11 fm radio stations, five tv stations and major cable tv services.

Scranton-Wilkes-Barre, Pa.

Population '80	728,796
Rank	58
Est. income '82	$5,848,673,000

Contrary to what you may have heard, Scranton and Wilkes-Barre have not died and gone to coal miner's heaven. In fact, local civic leaders in both areas have recently begun formal marketing efforts to let outsiders know that they're alive and well and, possibly, the ideal place for your next vacation or plant expansion.

The Scranton Plan was put together by volunteers from Scranton, Lackawanna County and the industrial development arm of the Greater Scranton Chamber of Commerce. Industrial expansion is a key goal, but it is hoped that the area's future fortunes will also be linked to its evolution as a tourist center, located as it is a half-hour's drive from the heart of the Pocono Mountains.

Meanwhile, 15 miles or so south in Luzerne County, Wilkes-Barre's movers and shakers hope to improve the area's image and attract new industry through the newly formed Committee for Economic Growth, a volunteer organization of some 350 members sponsored by the Greater Wilkes-Barre Chamber of Commerce and representing nearly every local business, civic, social and cultural institution.

In Scranton, a number of factors should help contribute to the economic scenario local leaders hope to see unfold in the coming years. For one thing, there's Montage, 1,100 acres in Moosic Borough, five miles from downtown Scranton, that are being developed as a major resort with skiing, an 18-hole golf course, a baseball park, a civic arena, some 405,000 sq. ft. earmarked for commercial and light industrial use, some 211 single-family homes and approximately 40 townhouses.

Phase 1 of the project, development of its $13 million ski facility, is in progress and targeted for completion in time for a December, 1984, opening, with a quarter-million skiers expected annually.

Another major project, scheduled for completion early next year, will transform Scranton's Fire Lackawanna train station, vacated 10 years ago, into the centerpiece for a $13 million, six-story Hilton Hotel with 165 rooms, three restaurants, a convention center and health spa.

The Scranton area already has two Holiday Inns and a Sheraton, as well as a number of other smaller hotels. The arrival of Steamtown USA, the country's largest collection of steam-operated railroad equipment, is also expected to dramatically recolor the complexion of downtown Scranton. Relocation of the museum from Vermont began last summer and is expected to be complete by next summer. It is expected to draw some 400,000 tourists annually.

Visitors to both Steamtown and Scranton's new Hilton at Lackawanna Station will also find a new look to nearby Lackawanna Avenue, which just went through substantial street and sidewalk improvements as part of a campaign to revitalize downtown's commercial-retail hub.

Over-all, downtown Scranton's 25-

square-block commercial district is northeastern Pennsylvania's largest shopping center. In fact, *Editor & Publisher Market Guide* estimates that 1982 retail sales in the city of Scranton alone contributed $469.7 million to the total $956.9 in sales estimated for all of Lackawanna County.

On the industrial side, the last 50 acres of the 300-acre Keystone Park in suburban Scranton are now being cleared and developed.

Plans call for 50-acre lots specifically geared toward office and light manufacturing uses. In the already-developed section of the park, Emery Air Freight has begun preliminary design work on a 40,000-sq.-ft. expansion expected to add 200 jobs to its current 270-person operation.

The Wilkes-Barre industrial base generally depends on small manufacturing businesses—machine tool shops are a good example—with fewer than 100 employes. There has been some expansion among companies that produce health industry products.

Area observers are predicting some growth in service-related companies—such as the locally based Diversified Records, a records storage facility—and in back-office functions, all of which will be addressed more specifically when the Committee for Economic Growth begins to report on its findings. According to one committee spokesman, the group hopes to start by publishing a detailed study of Wilkes-Barre's assets and liabilities next spring.

Current Wilkes-Barre area development is not nearly so dramatic as the mammoth efforts mounted after Hurricane Agnes and a raging Susquehanna River created $539 million worth of damage in 1972. But local leaders describe their economy as holding its own, with only one notable plant closing (General Cigar last June, with some 100 jobs) and several expansions in the last year and a half.

Included among the latter is the new $1 million facility being built downtown by Luzerne Optical Laboratories, Ltd.

The Scranton/Wilkes-Barre market is served by four daily newspapers (two in Scranton, two in Wilkes-Barre), three commercial tv stations, one subscription tv station, two cable services and some 25 radio stations.

Syracuse, N.Y.

Population '80	642,971
Rank	64
Est. income '82	$5,779,319,000

The impact of the sagging national economy got to Syracuse later than most places. Even the area's auto-related industries didn't feel the crunch until much later than most.

But when it arrived, the area suffered along with the rest of the country, and its recovery started later.

Unemployment hit its peak in November, 1982, when 10.3% of the three-county MSA's workforce was unemployed. Chrysler's new process gear plant and General Motors' Fisher Body plant both had huge chunks of their workers on indefinite layoff. Today, the area's unemployment rate is 6.6%.

In addition, the effect of corporate takeovers of the city's two biggest companies—Carrier Corp. by United Technologies and Crouse-Hinds Co. by Cooper Industries—was starting to be felt. Cooper, for example, announced that it planned to shut down one of Crouse-Hinds' operations in Syracuse and move it to Mississippi, where costs were lower.

But Syracuse grew through the recession. In 1982, Carrier announced a $24 million expansion of its Carlyle Compressor plant and, near year's end, began rehiring workers. It also built a new headquarters and moved that operation out of the downtown area.

And at the peak of the recession, the Greater Syracuse Chamber of Commerce began a four-year drive to build Syracuse's national income and try to lure new business to the area while encouraging existing business to stay and expand.

As one chamber official said, "Syracuse doesn't suffer from a bad image. It suffers from a non-image."

The drive, called the Greater Syracuse Program, began with pledges of more than $3 million from area companies.

The first phase was a national advertising blitz in which the chamber bought space in national business and trade publications. The ads described the area's abundant water, good transportation, favorable cost of living and skilled workers.

The program was aimed at attracting high-tech companies to Syracuse, which already had a substantial number of such concerns.

Meanwhile, the state named Syracuse University as the site for one of several high-tech centers that were part of a state plan linking government, private and university resources in an ambitious effort to create a high-tech base in the state. SU's center would be for computer software development.

The Greater Syracuse Program, now two years old, has yet to produce dramatic tangible results, although some claim that new business did move into the area because of it.

But the chamber remains optimistic, indicating such a program, in competition with similar programs in 33 states, will take four to five years to produce.

In the meantime, another group, the Metropolitan Development Assn., began a push to lure insurance companies to Syracuse. According to Kevin Kersev, director of economic research at the chamber, Syracuse has become the second largest insurance center in the state behind New York City.

Developers saw some of this activity coming and began building or planning Class A office space as if there would never be enough of it. They were only partially right.

Pioneer Group built the $20 million One Park Place office tower just off the downtown area and landed International Business Machines Corp. as one major tenant before the building was finished. American General Life, a partner in the project, was the second major tenant, and about 90% of the building is now rented.

Pivko Group, a Canadian development company, was not as lucky. It bought the former Syracuse Mall building downtown, gutted it, made some additions and converted it into 140,000 sq. ft. of prime office space. It was finished early this year and still is nowhere near full occupancy, despite a rent reduction.

The glut of space also has slowed another major project proposed, again, by Canadian developers. The $50 million Galleries of Syracuse mixed-use mall was proposed in 1980. IBM was to have been a key tenant, but it went to Park Place.

The Galleries finally landed the Onondaga County main library as its key tenant, but no work has begun on the demolition of existing building yet, and if work does not begin before the end of the year, the library stands to lose a $700,000 federal grant.

Elsewhere, besides offices, Anheuser-Busch, which bought a former Schlitz brewery in 1980, opened its brewery early in 1983. Busch bought the plant for $100 million and instituted another $100 million in renovations over three years.

The area's retail operations also grew. A new off-price mall opened early in 1983, joining 15 other malls or shopping centers in the Syracuse suburbs. The area's major retail outlets include T.J. Maxx, Service Merchandise, Hills, J.C. Penney Co. and Sears, Roebuck & Co.

With all the new construction, the area did not neglect its transportation system.

The terminal at Syracuse Hancock International Airport was renovated and expanded, and the city, which operates the airport, built an $11 million, 1,600-space parking garage there. Most of the major airlines and many smaller lines serve the facility.

Greater Syracuse is served by two daily newspapers—the *Post-Standard* in the morning; the *Herald-Journal*, afternoon, and *Herald-American/Post-Standard* on Sunday; 10 weekly newspapers; three shoppers; two monthly business newspapers, the *Central New York Business Review* and *Syracuse Business*, and one magazine, *Syracuse Magazine*. There are three network-affiliated tv stations; a public tv station; three cable tv companies, and 16 radio stations.

East North Central

Akron, O.

Population '80	660,328
Rank	62
Est. income '82	$5,966,172,000

Akron has long been synonymous with rubber, but it is now turning into a diversified center of service, research and small businesses.

Just 10 years ago, 40% of the area's jobs were in manufacturing and 60% in nonmanufacturing. Today the ratio is 30% to 70%. And the major employer of production workers is no longer tire plants but small metalworking companies.

While Akron's picture has been painted as bleak during the recession, total employment is higher than it was 10 years ago, said Jim Kroeger, direc-

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*Source: Scarborough's National Newspaper Audience Ratings Study, 1983.
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tor of economic development at the Akron Regional Development Board (ARDB), the area's chamber of commerce.

"What we have lost in manufacturing we have added back in the nonmanufacturing sector," he says.

The last tire plant left Akron in 1982, but the city's four tire companies have vowed to keep their headquarters in the area—and to expand them.

Firestone Tire & Rubber Co., for example, has spent $14 million since 1981 to renovate its world headquarters building on Firestone Parkway in south Akron. An additional $16 million is in line to be spent to complete the renovation by 1987.

Goodyear Tire & Rubber Co. is completing a $125 million technical center to replace two vacant tire plants. The facility would employ some 1,200 for research and development activities.

All in all, more than $124 million in private capital was invested in new plants and plant expansions in Summit, Medina and Portage counties during 1982, creating 929 iobs. Mr. Kroeger expects investment to be slightly higher in 1983.

One of the big projects outside the tire industry is a $12 million data center under construction by Ohio Bell in Akron's Opportunity Park. The facility is expected to be finished by mid-1985 and employ 150 initially.

In the retail arena, Cedarwood Construction Co. is renovating the old Akron Square Plaza, a vacant mall, into a factory outlet center. The $10 million project is scheduled to start before the end of the year.

Downtown Akron is also undergoing renovation. More than $26 million has been invested in the downtown area during 1982 and 1983, says Greg Balbierz, a city economic development analyst. Among the big projects is CitiCenter, now emerging from a former YWCA building. This $7 million project is scheduled to open in late 1984 and will house an athletic club, offices and retail outlets. A skywalk will connect CitiCenter with other key downtown buildings.

The M. O'Neil Co. department store downtown is also undergoing $2.5 million worth of rehabilitation, and the Civic Theatre is getting a $1 million facelift.

The area's unemployment rate is hovering around 12%, down from 15% in January. The Akron Home Bureau Assn. expects single and multi-family housing starts to hit 2,575 in 1983, up from 2,280 in 1982.

Although things are looking brighter in the area, development experts are searching for ways to keep the economy growing. Their most recent innovation was an "industrial incubator," or a facility to foster the growth of fledgling companies.

The incubator is jointly sponsored by the City of Akron, Summit County, the Private Industry Council and the University of Akron. They acquired the former O'Connor Steel Co. plant last year, and it now houses five companies ranging from an industrial robot manufacturer to a sporting goods distributor.

City fathers hope to have at least 12 companies in the facility by the end of the year and are already planning a second incubator and a venture capital fund. Summit, Medina and Portage counties are served by five daily papers, four am and five fm radio stations, four tv stations and three cable companies.

American Segments, III

Construction: Master builders

Ten most active SMSAs in building construction (in millions)

		1982	1981	% change
1	Houston	$5,790	$5,818	−0.5
2	Dallas-Fort Worth	4,616	4,007	15.2
3	Los Angeles	3,320	4,553	−27.1
4	New York	2,876	2,821	2.0
5	New Orleans	2,579	882	192.4
6	Washington	2,569	2,741	−6.3
7	Chicago	2,363	2,634	−10.3
8	Denver	2,300	2,296	0.2
9	San Francisco	2,161	1,909	13.2
10	Atlanta	1,884	1,527	23.5

Source: First City Bancorp., F.W. Dodge division, McGraw-Hill Information Systems Co.

Chicago, Ill.

Population '80	6,060,387
Rank	3
Est. income '82	$58,042,372,000

Sometimes Chicago just doesn't live up to its reputation.

The Windy City actually ranks far down on the list of the nation's windiest. And the City that Works faces high unemployment and politicians whose bickering over what is left of a crumbling machine's patronage system often brings local government grinding to a halt.

Hit hard during the recession in its economic center, manufacturing, Chicago faces the recovery plagued by a flurry of economic and social problems, not the least of which is racial tension, usually latent, but brought to the forefront by last spring's election campaign in which Harold Washington became the city's first black mayor. Though fiscal crises seem to land upon the city more often than in the past, many say Chicago is just passing through a troublesome phase as its economy shifts from a manufacturing to a service base.

Employment statistics show the move away from manufacturing and toward service industries began some time ago, even before the recession knocked the stuffing out of manufacturing employment. In the last few years, the switch gained momentum.

The total number of employes in the mining, construction, manufacturing and public utility fields dropped 17.6% since 1980 to about 935,000 by mid-1983. The other nonagricultural fields —service, financial, retail and government—managed to show a slight gain in number of employes in the face of the recession, inching up 1.6% to 2.1 million during the same period.

Among retailers, there is considerable optimism, particularly along Chicago's premier shopping area, the Magnificent Mile. While the wait for a Bloomingdale's—estimated time of arrival is 1987 in yet another new shopping complex—continues, Neiman-Marcus opened a posh store in time for the holidays even though the building that houses it, the Olympia Center, has months of contruction to go.

Ralph Lauren's Polo store moved to larger quarters in the recently completed and ostentatiously named One Magnificent Mile building. A host of other high-price retailers have opened for business there as well.

Some worry that the opening of so many retail centers in the Near North Side area will glut the market, but the shopping center that helped start it all, Water Tower Place, is doing a booming business.

While other purveyors of specialty foods and confections are also expanding operations, more traditional food retailers struggle to keep hold of a protean market. Consumers on the affluent North Side are buying more varied and expensive foods in order to follow the gourmet cooking fad. But major supermarket chains are closing stores in troubled areas of the South Side, where unemployment reaches 30%.

Even in relatively affluent areas and particularly in outlying suburbs, traditional supermarkets are beginning to see serious competition from warehouse stores that sell package goods out of shipping cartons and bulk foods packed by the consumer.

Further back along the industrial food chain, some food processing companies are running into tough times. Meat processing companies still operate several plants around town, though Chicago no longer sees itself as the world's hog butcher. But tough price competition from nonunion plants scattered through less urban parts of the Midwest has led to several plant closings and an ongoing struggle between management and unions.

Many manufacturers see Chicago as a tough place to do business because of high county and state taxes and the predominance of unions. On the other hand, some businesses find it advantageous to locate near Chicago.

Area businessmen and local government officials are pushing the idea of a high-tech corridor or arc that cuts through suburbs to the west and northwest of Chicago. They see an entrepreneurial business district anchored by the large electronics companies already located in the area.

The combination of a relatively central location in the nation, busy international O'Hare International Airport and a cosmopolitan city, where young up-and-coming engineers and executives can find an apartment for under $500 a month, is attracting diverse companies to the area.

While government types chase glamorous high-tech companies, a growth company in the fast-food industry, Chart House shifted headquarters from Lafayette, La., to suburban Chicago. The reason? "I lived in Chicago before and I liked the city," said Donald N. Smith, the company's new chief executive officer. He added that the location makes it easier to hire top-flight executive talent and provides him with easy access to restaurants and franchises scattered around the nation.

As the number of young professionals increases, so too does the number of apartment buildings in the city. An area a few blocks west of the Magnificent Mile is favored by developers betting on a revitalization of the downtown Loop business district and a continuation of apartment construction there.

Meanwhile, gentrification of older parts of the city to the north and south continues. The South Side has the University of Chicago, the Chicago White Sox and Hyde Park. But it also has the area's largest waste dump and the shells of deserted factories. The North Side has Old Town and New Town, a large number of small theaters and good affordable restaurants. But it also has shells of deserted factories a little to the west and the Chicago Cubs.

In general, Chicago is in good shape for the future. The federal Bureau of Labor Statistics predicts the number of employes in Illinois will grow about 3% through the decade. The same rate applies to the Chicago area, which accounts for three-fifths of the state's employment.

And racial tensions have eased since the election. Chicago still is a city of economically and racially defined neighborhoods. A walk of a few blocks can take a person from the wealthy Gold Coast to the poverty-stricken projects of Cabrini Green. But blacks and other minorities have gained a large amount of political and business clout in recent years. And, clout is what it's all about in Chicago.

That's officially noted by the *Chicago Tribune*, the city's largest newspaper, in a comic strip called Clout Street put together by editorial cartoonists and others. Another famous annotator of clout, Mike Royko, resides at the *Sun-Times*, (recently acquired by Rupert Murdoch's News America Publishing Co., to the trepidation of many Chicago journalists). The *Sun-Times* runs a fairly close second to the *Tribune* in daily circulation.

The city also houses three major network owned-and-operated tv stations, two major independents (including superstation WGN) and a Public Broadcasting System affiliate that earns a chunk of its budget by taking commercials. A total of 15 tv stations serve the market.

A substantial number of small neighborhood weeklies and dailies fill the niches on the print side. Backing up tv in broadcast are 49 radio stations. Although cable franchises have been awarded, the city is not wired. The suburbs have a variety of services.

Cincinnati, O.-Ky.-Ind.

Population '80	1,401,491
Rank	28
Est. income '82	$13,952,491,000

If one used construction as the sole indicator of economic health, Cincinnati would seem vigorous indeed.

Test your metro knowledge

By Ed Zotti

For years Americans have argued over the relative merits of their home towns—which city is the liveliest, the most expensive, the coldest, the rainiest, whatever. Until recently, however, most such arguments were strictly of the hot-air variety—there was no good way of checking out the truth. Until two years ago, that is.

That's when Rand McNally published the "Places Rated Almanac" by Richard Boyer and David Savageau. PRA ranked 277 U.S. metropolitan areas according to quality of climate, housing, healthcare, crime and so on. In the process, the authors unearthed a vast treasury of oddball facts about the nation's cities. See if you can recognize these 12 cities from the facts provided below:

1. It has the most taverns per capita of any city in the U.S. (curiously, among the nine runners-up in this category, six are in the same state as the leader). It's also among the top 10 in movie theaters per capita. One of the safest cities in the U.S. (second lowest in violent crime), it's also among the coldest, a phenomenon noted in such other Northern Plains cities as Fargo, N.D., and St. Cloud, Minn.

2. It's the largest city in the country without a zoo.

3. PRA considers it the best all-around metropolitan area in the country, with the nation's best transportation system, although it also has the second most congested freeways. It's among the top 10 in most available seats at spectator sports per capita. On the negative side, it's among the top 10 in murder and robbery rates. The state it's located in has the widest gap between richest and poorest school districts, and also leads the U.S. in quantity of moonshine confiscated annually.

4. It's among the top 10 in all-around climate, although a farmer was killed there once by a hailstorm. It has among the fewest bowling alleys per capita of any city in the nation. It's in the top 10 for murder and rape, and ranks among the 10 lowest in "educational effort," a measure of the resources invested by each city in its local school system.

5. It has the worst auto theft rate in the country, but it also has one of the lowest unemployment rates. It can boast of the country's best universities for law, business, medicine, engineering and music. One of those universities is also the nation's most expensive. It is among the 12 windiest cities, and among the top 6 in real estate taxes. It is one of a handful of cities whose public transit system includes ferryboats, trolleybuses, streetcars and subways. It offers the most racing days of any city in the country for thoroughbred, harness and greyhound racing.

6. It's the sunniest and driest city in the U.S., and is among the top 10 in hours per year over 80 degrees. Partly as a consequence (air-conditioning, you know), it's among the highest in electricity use per household. It's in the top 10 for murder and robbery, but it also has the second highest per capita spending on parks and public recreation.

7. It has the most even climate on the continent, and is among the top 10 cities in freedom from ragweed pollen. Its housing is some of the most expensive in the nation, and its property taxes on houses are among the highest. It's in PRA's top 10 for "supply of cultural facilities." The state in which it is located has the nation's highest incidence of leprosy, malaria and typhoid fever.

8. It's the only major American city with no heated homes, and has the lowest number of heating-degree days, a measure of evenness of climate. It's among the 12 windiest American cities. It has the most expensive housing (more than $170,000 per unit average), but among the lowest real estate taxes. In its population class, it has the highest rate of "culture per capita," as calculated by PRA. It's also in the top 10 for amount spent on parks and recreation. Unfortunately, it also has one of the highest student-teacher ratios.

9. It has the nation's most popular aquarium even though it isn't near an ocean. It has the most popular zoo, the second highest museum attendance, and the second most popular harness racing track, all of which help put it in PRA's top five for recreational opportunities and top four for "supply of cultural facilities." It is not one of the windiest cities in the country. It has among the nation's most severe air pollution, and typically has only 70 sunny days a year.

10. It was the fastest-growing metropolitan area from 1970 to 1980 (95.1%). It's projected to have the second highest job growth rate through 1990. It offers the second best access to public golf courses, is among the top 10 best cities in freedom from ragweed pollen and is among the top 10 for projected income growth through 1990. On the other hand, it's the third hottest U.S. city, with 103 days in the 90s per year. It's also in the top 10 for aggravated assault.

11. The fifth coldest city in the U.S., it also has the lowest percentage of houses over 40 years old of any American city. It has the highest average household income, the highest teacher salaries, and ragweed pollen index of zero. The state in which it's located has the lowest death rate for heart disease, cancer and stroke, but the highest death rate for accidents, giving it one of the lowest life expectancies in the nation.

12. This godforsaken pesthole has the third worst economic prospects of the 277 metro areas studied. It saw the steepest population decline from 1970 to 1980 (8.5%) and had either the worst or second worst crime rate, depending on how you calculate these things. It has the lowest household use of electricity, but the highest bills per household. On the other hand, it has the most museums, theaters, public and fine arts broadcasting outlets, opera companies, dance troupes, symphony orchestras, employed artists and major universities. Perhaps equally important, the state in which it is located has the most golf facilities in the nation.

(Answers on Page M-28)

Ed Zotti, a writer in Chicago, is a frequent contributor to Magazine.

An unprecedented downtown building boom is expected to add 2.4 million sq. ft. of office space to the more than 1 million sq. ft. built recently in surburban office parks and large-scale renovation projects at various downtown sites. Much of the new investment has come from out-of-town interests betting on companies desiring Cincinnati offices because of the city's lower rental rates. While city planners do not anticipate significant population growth, they do hope the city will become a good location for serving the Northeast and Sunbelt.

Whether or not there will be enough tenants depends on whom you ask. A few have raised the possibility of a glut, while city development director Nell Surber pointed to the current 2% vacancy rate among Class-A office space. He said Cincinnati needs the room, especially for attracting new businesses.

Attracting new businesses is a primary goal of Cincinnati's "Blue Chip City" campaign. Meant to publicize the city's virtues as a place to start or relocate a business, the campign involves the chamber of commerce and chief executive officers of several major local corporations. Its fulltime director is William Price, formerly general manager of Taft Broadcasting's Kings Island amusement park. The chamber of commerce also hopes to develop a venture capital fund; the city received a $150,000 venture capital grant from Gannett Co. in January, 1983.

The Blue Chip campaign emphasizes Cincinnati's economic stability. The city suffered many problems common among northern industrial cities during the recession, though to a lesser extent. Particularly hard-hit was the machine tool industry, long a staple of the local economy. Steel and automotive industries also faltered.

But the city shows signs of recovery. Employment in August was still down 0.9% from the year before, and metropolitan area unemployment was 10.7% in June. But Ford Motor Co. recalled all laid-off workers to its Sharonville transmission plant, as well as 600 at its Batavia facility; the General Motors Camaro/Firebird plant in Norwood remained strong, operating two full shifts per day. Armco Inc., the diversified steelmaker based in nearby Middletown, O., continued to lose money but recalled 860 local workers in July.

General Electric Co., Procter & Gamble and Kroger Co. remained strong, but on the downside, Revlon Realistic, a manufacturer of haircare products, announced in October it would close its Cincinnati plant, laying off 250 workers. No one yet knows the impact of Baldwin-United's bankruptcy.

Retailers have experienced recent modest gains (except for the Union Terminal development, which faltered and appears doomed), but the major expression of confidence in Cincinnati came from outside as two major companies embarked on local ventures.

Construction continued on a new Saks Fifth Avenue store adjacent to the Hyatt Regency downtown, which is also under construction. And Hyper Shoppes, a European company, announced plans to build its first U.S. supermarket on the city's east side.

The housing market improved, with real estate companies holding steady or making modest gains, although the condo market lagged. Rehabilitation efforts continued in several older neighborhoods and downtown, where Two Garfield Place and One Lytle Place, new buildings, and Fourth Plum, a renovated structure, vied for upscale tenants moving back to the inner city.

Although few see it as a panacea, the city has begun promoting local growth in high-tech industries. A planned Institute for Advanced Manufacturing Sciences has a board of directors and some funding; proponents hope to begin construction in 1984 and seek additional financial support and a management organization; the institute would provide space for high-tech research.

Efforts at attracting corporate relocations have had some success. AT&T Long Lines plans to lease 435,000 sq. ft. of new office space for its national engineering and design layout facilities. Merrell-Dow intends to move part of its pharmaceutical division from Indianapolis to Cincinnati, and USI Industries, part of National Distillers, plans to relocate its New York headquarters in Cincinnati by the summer of 1984.

Predictions of wholesale business flight from the state have not proved accurate, but some companies have chosen to occupy land in Northern Kentucky rather than pay Ohio taxes. Still, a referendum proposal to repeal taxes implemented during Gov. Richard Celeste's administration and before was voted down after concerted efforts to convince Ohio voters that the added revenue was necessary to help solve the state's fiscal problems.

Cincinnati's advertising community has recovered from its major recent blow, the loss of Kenner Toys' business to New York. Sive Associates, the agency that lost Kenner, recovered last year by snatching Ideal Toy Co. from a Manhattan agency. The larger Cincinnati agencies have continued making modest inroads in neighboring markets, landing accounts in Tennessee, Indiana and Texas. No major new defections occurred in the last year.

Suburban newspapers (at latest count numbering 28) grew as they began filling gaps in the surburban coverage of the two major dailies, the *Cincinnati Enquirer* and *Cincinnati Post*. Other media servicing the area include five commercial tv stations, one public tv station, seven cable services, nine am and 17 fm stations.

Cleveland, O.

Population '80	1,898,825
Rank	16
Est. income '82	$19,735,433,000

Dennis Kucinich returned to Cleveland City Hall this autumn—and the city survived (he won election as a city councilman). And it is fast becoming the opinion of most business people around town that the city has emerged from Mr. Kucinich's stormy years as mayor of a town that can take its knocks, survive and even thrive, whatever the economy and the comedians toss Cleveland's way.

When LTV Corp. announced it was buying locally based Republic Steel Corp. to team with LTV's Jones & Laugnlin Steel subsidiary, Republic's executives fought and won the battle to keep the merged company in Cleveland. That meant hundreds of jobs would stay in the city, another sign that the ball was beginning to take a Cleveland bounce.

While many manufacturing operations have closed plants and otherwise trimmed operations, the area's steel, auto and auto-related industries have started to call workers back to their jobs.

In addition, there are a number of

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growing regional and national retailers headquartered in Cleveland that are adding optimism to the outlook for the area's economy.

Cole National Corp. (which operates Children's Palace toy stores, the optical departments in Sears and a number of other speciality retailers); Fabri-Centers, a major fabric seller, and Revco D.S., one of the largest drugstore chains in the country, all call the Cleveland area home.

Under Mayor George Voinovich, the central city itself is also organizing as never before. The mayor's administration is putting its efforts behind programs that assist businesses looking to expand and is pursuing federal tax dollars for both business and community development.

Mr. Voinovich recently credited his own planning and development department for spearheading a drive to obtain a federal grant for major street and water main repair in an industrial area on the city's southeast side, as well as for a $3 million federal grant for an industrial park in the depressed Hough area.

Construction downtown and elsewhere is continuing, as the area's economy changes to a more diverse service orientation and office buildings replace smokestacks on the city's skyline. Four skyscrapers under construction or just completed will provide expansion for many of the largest businesses headquartered in the area, including the Eaton Corp., Ohio Bell Telephone Co. and Standard Oil Co. (Ohio).

Other downtown development includes a renovation of the area surrounding the Terminal Tower, the city's tallest building. The Tower City project is expected to include a total of 18 interconnected buildings including a hotel, a medical merchandise mart and office and condominium space.

Though the suburbs are still closely tied to the central city, development in outlying areas continues with Scott Fetzer Co. and the Nordson Corp. putting up new headquarters and a handful of developers planning speculative office buildings in growing suburban commercial areas. An estimated 2,000 apartment units are also under construction in the area.

One of the most promising areas for economic growth is expected to come from companies that produce sophisticated medical equipment. Already the home of Technicare Corp. and Picker International—two major competitors in the medical imaging business—the area has a group of smaller companies cropping up in related areas.

In addition, one of the area's largest employers is the Cleveland Clinic. Though it already draws patients from around the world, a massive building program already is under way. If it comes to pass, the Tower City medical mart will provide an important boost to the area's travel and convention business, which has been lagging.

The city is also home to two major trade publication groups. Penton/IPC publishes 27 titles and HBJ Publications, a subsidiary of Harcourt Brace Jovanovich, recently set up shop in a Cleveland suburb for its stable of 131 titles.

Though the city last year lost its afternoon daily newspaper, the *Cleveland Press*, the city is served by the morning *Plain Dealer*, a half dozen suburban afternoon papers and the chain of 17 weekly *Sun* newspapers.

Two dozen radio stations fight hard for ratings points and advertising dollars with no one station able to hold a secure spot for very long.

The demise of a subscription tv service last summer gave the city five fulltime tv stations (three vhf and two uhf) with plans for a new station to be on the air early next year.

Answers to quiz

(From Page M-26)

1. Eau Claire, Wis.
2. Nashville, Tenn.
3. Atlanta.
4. Lubbock, Tex.
5. Boston.
6. Las Vegas, Nev.
7. San Francisco.
8. Honolulu.
9. Chicago.
10. Fort Myers-Cape Coral, Fla.
11. Anchorage, Alaska.
12. New York.

Second City proves it's second to none

By Jack Hafferkamp

Ten years ago—before "Saturday Night Live," "SCTV," "The Blues Brothers," "Animal House," "Cheers" or even "Hill Street Blues"—New York drama critic Clive Barnes made a striking comment.

"The entire recent tradition of American theatrical satire," he had written, "can be summed up in three words, The Second City."

Today, when Chicago chauvinists are justifiably proud of the second city's thriving theater scene, The Second City has emerged as America's deepest comedy talent well. It has launched the careers of more famous actors and actresses than there is room here to list. But from Joan Rivers to Tim Kazurinsky and Alan Arkin to Shelly ("Cheers") Long and Betty ("Hill Street Blues") Thomas, the roster is a virtual who's who of America's funny people. And the humor doesn't even stop at national borders. Since 1973, there has even been a Canadian Second City, which resides in Toronto.

This week, the Chicago home base celebrates its 24th birthday. Born Dec. 16—Beethoven's birthday—1959 in a converted Chinese laundry in Chicago's Old Town, it is currently offering its 65th revue, "Orwell That Ends Well." The show is a hit, mixing—as always—topical humor with doses of pure silliness and strong audience identification.

How do they do it, show after show, year after year? This amazing history continues because producer Bernard Sahlins and associate producer Joyce Sloane have established a repeatable process for generating and packaging comic creativity.

"The form is flexible," explains Ms. Sloane. "The actors can perform their craft every night, and because we do improvisations four nights per week, they have the opportunity to fail. That's really what helps our people to grow so fast.

"Second, we are a company, but our cast is continually changing. We have auditions for each show. This guarantees that we change with the times and that the people on stage have the same points of reference as the people in the audience. When the actors mention a hit song, the audience knows it. Other satirical theaters have come and gone as the people who created them went on to other things. We're still here because we're always looking for new people to give us that new blood."

Who said 1984 couldn't be funny? The Second City has turned it into its latest revue, "Orwell That Ends Well."

One reason sometimes advanced for The Second City's original ability to take root is that Chicago was safe from the corrupting temptations and pressures of the Los Angeles-New York bigtime entertainment mainstream. Unmolested in their relative obscurity, Mr. Sahlins, Ms. Sloane, directors Paul Sills and Del Close and pianist Fred Kaz were able to perfect The Second City style.

Today, however, there is no obscurity. The Second City has become so well known as a talent pool that the network tv executives and movie people drop in regularly. The Second City's fame also means that there is never a shortage of hopeful young actors and actresses ringing the doorbell.

Those who pass the test are admitted to a backstage atmosphere that is a heady mix of nervous energy and bursts of inspiration. The environment is competitive yet supportive, exhausting yet energizing, liberating yet humbling. Even hard-boiled journalists often have found its lure hard to resist.

Eliot Wald went from feature writing at the *Chicago Sun-Times* through The Second City to comedy writing for "Saturday Night Live."

Denise DeClue went through a Second City workshop as research for a story and wound up joining the Second City Touring Company. She also worked with Mr. Sahlins and cast members brainstorming tv and film development projects.

That led to film script projects including "My Bodyguard," a yet-to-be filmed adaptation of David Mamet's play "Sexual Perversity in Chicago" and a Bette Midler film known variously as "Big Success" or "Woman On Top"—all written in conjunction with "Saturday Night Live" cast member Mr. Kazurinsky.

"In a way, Second City is like high school," says Ms. DeClue. "The people who play on the main stage are the upperclassmen. They're cocky and cool. The freshmen are the new kids in the touring company. They have to prove themselves to the older kids. Bernie is the principal."

Mr. Sahlins has expressed The Second City's philosophy of humor in this way: "We always feel that the worth of our material depends on how true it is. You can always get a laugh by dropping your pants, but we think that's a cheap shot. The best material is based on identification—when the audience says to itself, 'Yes, that's right!' "

Of course, when everything is working onstage, that identification is so fast that few in the audience see the show's seams. Thus outsiders often have a hard time comprehending exactly how demandingly intense the Second City experience is for the young talents onstage. But there is a glimmer of the kind of ego commitment and dedication to excellence one finds inside The Second City in this story from Joyce Sloan:

"The day after Brandon Tartikoff [NBC-TV's vp-entertainment] was here, our sandwich maker and dishwasher, Clark Bachman, said to me that it had been a wonderful experience seeing his old prep school mate Brandon. 'You know,' Clark said to me, 'when I was editor of the school paper, I would never accept his work.' "

Jack Hafferkamp is a free lance writer in Chicago.

Columbus, O.

Population '80	1,243,833
Rank	33
Est. income '82	$11,748,226,000

Compared with many cities in the Midwest, Columbus led a charmed existence throughout the last recession.

Although the recession left its mark downtown, Ohio's capital weathered the difficulties largely because of its balanced economy. Much of the local economy's growth has occurred in the service sector.

Public employes represent about 20% of the labor force, and heavy industry provides fewer than 25% of the city's jobs, said Ernest J. Hartong Jr. of the Columbus Area Chamber of Commerce. "We have had some decline in manufacturing," said the economic development officer. "It has not impacted us like it did some other cities."

The city's unemployment rate stayed well behind the state's during the recession. Ohio unemployment peaked at almost 15% in January, while the Columbus rate was just above 10%. Nationally, the jobless level was almost 11.5%.

The Dayton Malleable foundry closed in 1981, and major layoffs occurred at a number of manufacturers, including Timken, Columbus Auto Parts and Fisher Body.

There was employment growth, however, at plants owned by companies such as Liebert, AccuRay and Worthington Industries.

Rockwell International's work force has grown to about 4,500 since the company won contracts for B-1 bomber components, and employment is expected to peak at 6,500 by mid-1986. In nearby Marysville, Honda employs about 1,500 workers in its new auto plant. The state government is the largest employer in Columbus, with 19,800 employes.

Next come Ohio State University (18,400); the federal government (11,070—not including military personnel); Columbus public schools (7,000); F&R Lazarus (6,480); the city government (6,060); Nationwide Insurance (6,060); Ohio Bell (4,820); Western Electric (4,750), and the county government (4,400).

Downtown Columbus is experiencing extensive construction. The largest effort is Capitol South, a redevelopment project encompassing three blocks immediately south of the capitol building. Combined public and private funding is being used, with the city government retaining title to the land. The value of the entire project will total an estimated $250 million to $400 million.

Most progress so far has occurred in the north half of the development. The Pickett Cos. and Aetna Life Insurance built One Capitol South, a 12-story, mirrored-glass office building. Foundation grants and federal funds paid for the Centrum, a small park which includes an outdoor skating rink. Plans call for later construction of a parking structure and mall.

Largely completed is Capitol Square, a $100-million, twin-tower complex being built by John W. Galbreath and Co. It is designed to provide office space and house a 400-room Hyatt, the downtown district's second.

Adjoining Capitol Square is the Ohio Theatre, a restored historical landmark undergoing a $9 million expansion. A glass-covered esplanade would connect the theater and the Galbreath complex.

Another downtown construction project is the Huntington Center. The $100 million complex would house the parent company of Huntington National Bank, plus other tenants. The building would be topped by a 193-suite, $15 million luxury hotel planned by the Pickett Cos.

Columbus has experienced healthy growth in its convention business. Major conventions drew about 565,000 people in 1982, and 1983 attendance is projected to reach 600,000, reports the visitors bureau. Last year, convention visitors spent an estimated $85 million in Columbus.

Several corporations recently established headquarters in the area. American Electric Power, formerly headquartered in New York, moved into an $80 million, 32-story downtown office tower. Anaconda Advanced Technology moved from Los Angeles and expanded its Columbus production facilities. The company makes computer-based control systems for the industry.

Combiblock, a manufacturer of aseptic packaging, opened a headquarters and production plant here. Also moving into new quarters were Ohio State Life Insurance and Farmers Insurance of Columbus.

At Port Columbus International Airport, more than 2.6 million airline passengers used the facility in 1982, up almost 8% from the previous year. A new, $72 million terminal was completed in 1981, providing 500,000 sq. ft., more than triple the previous year.

Fifteen airlines provide service in Columbus, several more than there were before deregulation. Midway canceled its Columbus operations this year, and other carriers have reduced service. Columbus, however, has not lost air connections to any major city.

The closed Rickenbacker Air National Guard Base, with a pair of 12,000-ft. runways, is expected to become a major air freight center. The airport authority expects to receive title to the property from the federal government late this year. The authority plans to develop an industrial park in an effort to attract aircraft and aircraft component manufacturers to the site.

The ad industry continues to prosper in Columbus. Lenere Shrieves, new business coordinator for Hameroff/Milenthal, said the city has almost 150 advertising agencies. She said her agency has doubled its volume to about $14 million in the past year. Much of the growth has come in the marketing of computers and health care.

Columbus has two daily newspapers, 18 weeklies and three monthly magazines. There are four cable tv companies. In broadcasting, there are four tv stations, plus seven am and 11 fm radio stations.

Dayton-Springfield, O.

Population '80	942,083
Rank	45
Est. income '82	$8,456,131,000

Thanks in part to a turnaround in the auto industry, Dayton's wounded economy has stabilized, if not improved.

The Dayton area had been battered by plant closings and layoffs in 1980 and 1981, but no plant closings have been reported in the last two years. John Cordray, chief economist at the Dayton Chamber of Commerce, said unemployment in Montgomery County is 9.4%, the lowest since April of 1982. There are 368,000 employed workers in the county.

General Motors Corp., the major employer in Dayton, recalled about 3,000 workers in 1983 to work in its new small truck and diesel engine plant.

In addition, Wright Patterson Air Force Base, near Dayton, will be a key consultant in the development of the B-1 bomber. Rockwell International Corp. has the contract to manufacture the aircraft in other parts of Ohio, but it will engage several local companies to supply parts. Wright Patterson itself employs 22,000 people.

But while manufacturing remains the area's bread-and-butter category, Dayton is slowly moving toward a more service-oriented and high-tech economic base. NCR Corp.'s headquarters here recently expanded by opening a microchip plant in nearby Miamisburg. The plant is to have from 150 to 300 employes.

Retailing companies, said Mr. Cordray, are experiencing "some growing pains." New owners are being sought for Arcade Square, a downtown mall that has had trouble filling space. On a more promising note, a renovated warehouse on the edge of downtown has reopened as a discount center called Factory Mart Outlet.

Because Dayton is home to several corporate headquarters, hotel owners report occupancy rates are high and business is good. There has also been an explosion of fast-food restaurants in the last 18 months.

Mr. Cordray said 1983 has been a "good but not a super year" for Dayton businesses. "The capital goods industry has still not gotten back to full swing," he said.

In nearby Springfield, part of the Dayton market area, unemployment stands at 10.1% in a workforce of 70,723. Still heavily based in manufacturing, the city is the site of large International Harvester, Kelsey-Hayes Speako division and Cooper Energy Systems plants.

Chamber of commerce officials say economic recovery has reached Springfield. International Harvester transferred its trucking assembly operations to the city in 1983 and recalled some 2,000 workers. Kelsey-Hayes, an aircraft parts company, is experiencing big increases in government contracts.

The pickup in manufacturing has been beneficial for Springfield's service industries. O'Neills' restaurant, which had been closed for a year, is scheduled to reopen; other small restaurants and a bakery plan to expand or reopen.

City officials, the chamber of commerce and the Clark County Development Corp. are aggressively trying to keep businesses in Springfield through financial incentives such as revolving loan funds, industrial revenue bonds and extensive use of Urban Development Action Grants.

As a result of joint private industry government efforts, three industrial parks are now being developed, a downtown office building has been renovated and a factory outlet mall, with 70% of its space already leased, will open within a few months.

"We're out to help business and industry in the city," said Mark Yates, economic development director for the chamber, "and it seems to be working."

Springfield's major newspaper is the *Springfield News and Sun*. Its radio stations are: WDLY (am), WAZV (fm), WIZE (am) and WEEC (fm). The market is served by one cable company and a weekly advertising paper. Columbus and Dayton tv stations also are received in Springfield.

In Dayton, the major media are: Two daily newspapers, the morning *Journal Herald* and *Dayton Daily News* in the evening; three tv network affiliates; 10 radio stations (am and fm); two cable tv companies and a public tv station.

Detroit, Mich.

Population '80	4,488,072
Rank	5
Est. income '82	$43,676,370,000

In 1981, some Detroit area blue collar workers jumped in their pickup trucks or campers, headed for Houston, found the pastures less than green and came back home.

Today, despite a bare-bones budget, layoffs and unacceptable unemployment rates, Mayor Coleman A. Young can say, "There is nothing wrong with this city . . . that a national economic recovery won't cure."

Working toward that end, the U.S auto makers introduced 1984 models that have neat fits and finishes. And the industry is revving up for spectacular earnings records for 1983.

Chrysler Corp. had earnings of $100.2 million for the third quarter, $582.6 million for the first nine months, or better than Chrysler's best full year.

General Motors Corp. recorded $736.9 million in nine-month earnings, a record.

Ford Motor Co. had $333 million in nine-month earnings—it, too, a record.

And Detroit can certainly use its share of the trickle-down.

Meanwhile, city planning and building continue in many sectors of the community. Here are some highlights:

Groundbreaking for a downtown People Mover took place in October. The elevated system would link key activity centers along a 2.9-mile loop of the central business district. Among the system's 13 stops: Cobo Hall, Joe Louis Arena, the financial district, Bricktown, Greektown and the Renaissance Center—ending the perceived isolation of Ren Cen from downtown Detroit. Opening in 1986, the system is expected to carry about 57,500 people daily by 1990.

"It will create hundreds of construction jobs and encourage investments in office, retail, hotel and residential land uses within the downtown area," said Gary Krause, general manager of the Southeastern Michigan Transportation Authority.

The People Mover would also connect with the $77 million Riverfront, a 10-acre, self-contained community built around twin 29-story luxury apartment towers. Each of the 604 apartments is designed to provide an impressive view of the Detroit River.

Riverfront is designed to offer all the expected conveniences, plus a parking garage, private 77-boat marina, health club, racquetball and tennis courts, jogging track and 6-acre park. Occupancy at Riverfront begins in the spring of 1984.

In the retail area, Diane Edgecomb, president of the Central Business District Assn., discussed the trauma created by the closing of Detroit's queen of downtown department stores, the J.L. Hudson Co., in 1982.

"There's no question that the loss of Hudson's created a vacuum in services," she said.

Yet other stores have absorbed those services after a thorough survey of the local needs.

To facilitate business in the area, Ms. Edgecomb's organization has divided downtown Detroit into "clusters" of commercial neighborhoods: Bricktown, Woodward Ave., Washington Blvd., the financial district and others.

The neglect of former years is being corrected by organization "Resource Teams" working with business owners to determine area needs. Parking? Transportation? Security? Lighting? Years ago, the plan worked for Greektown—a big success, day and night.

An open house for prospective retailers will be held in the spring. Ms. Edgecomb said, "We're not going to . . . bring them in unless I think they can make money."

Detroit's Metropolitan Center for High Technology is an effort to bring university minds and business intitiative together for the purpose of developing new high-tech industries in Detroit and surrounding areas.

The 272,000-sq.-ft. center opened in October at the former Detroit Institute of Technology facility near Wayne State University. Federal, state, city and private funding totaling $9.7 million has been invested.

Tenant development companies would be provided with libraries, computers and technical laboratories as well as access to WSU consultants. When in place and producing for the

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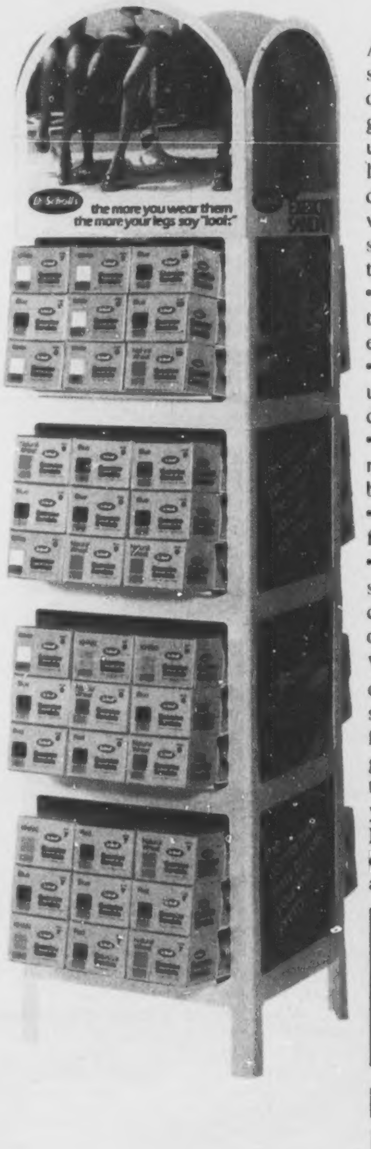

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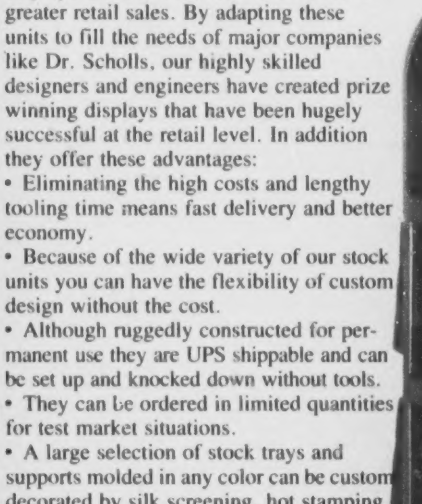

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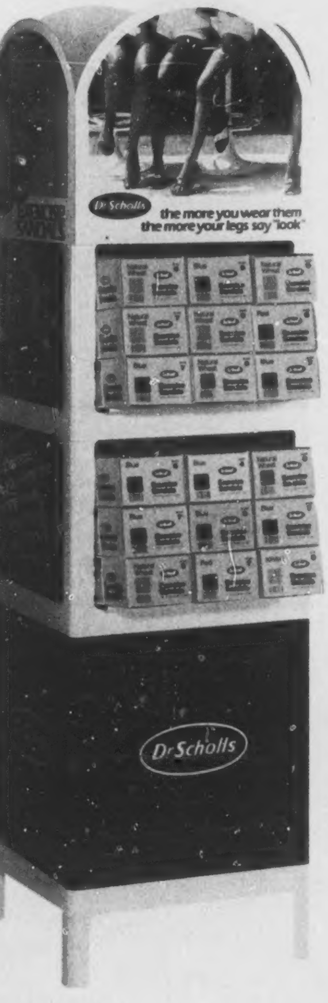


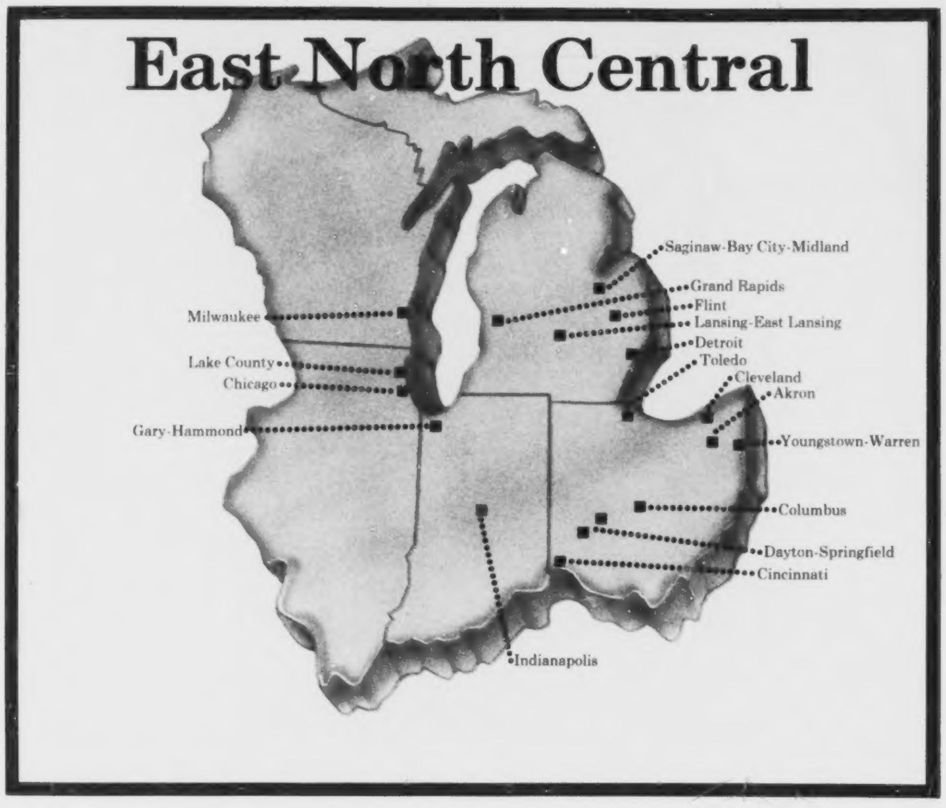
market, the new companies would increase job opportunities and strengthen the tax base.

A major liftoff for the economy and the spirit of Detroit will be the opening of the $800 million GM Assembly Plant. It is providing from 3,000 to 6,000 jobs and bringing in a projected $5.4 million in taxes. The plant is scheduled to come to life in 1984, in time for the 1985 models.

Detroit is viewed as a tough city—streetwise and experienced in survival. It's also a city of ethnic festivals, the Montreux-Detroit Jazz Festival, a Formula I Grand Prix, fm rock, live seminal blues, the International Marathon and sports, sports, sports.

The Detroit area is served by two daily newspapers, 12 am and 22 fm stations (plus six am and three fm stations in Windsor, Ont.), seven tv stations (plus two stations in Windsor) and 12 pay/cable tv services in the suburbs. Detroit is not yet wired for cable.

East North Central



Flint, Mich.

Population '80	450,449
Rank	91
Est. income '82	$4,032,306,000

Flint is trying to position itself on an economic plateau, above the peaks and valleys of the auto industry, by attracting tourists, service and high-tech industries.

In March, 1982, unemployment in the market, which comprises Genessee and Shiawassee counties, reached a recession record of 23.7%, highest of any area in the nation. By this past August the rate was down to 15.5%, which translated into 35,500 workers.

Yet Flint is moving ahead with ambitious plans to metamorphose from a depressed industrial city with boarded-up stores into a tourist attraction with a thriving downtown.

The biggest transformation is the 22 downtown acres that are becoming AutoWorld, a $70 million urban theme park. A 70-foot dome at the park covers an area the size of a football field.

The entertainment and educational center expects to attract 900,000 visitors within a year after its scheduled opening next July 1, creating 1,800 jobs.

AutoWorld is financed by donations from the C.S. Mott Foundation, established for community betterment by an early industrialist who exchanged his axle works for stock in a brand new General Motors Corp. Other financing came from the General Motors Foundation, citizens of Flint and the Department of Housing and Urban Development.

Flint can also show tourists a new $22 million "town square" downtown park. In 1981, a $63 million Riverfront Center with a 400-room Hyatt Regency Hotel and convention center, and a $13 million Citizens Bank Building opened. An $8 million state office building opened downtown in summer, 1983. Windmill Place, a downtown complex of restaurants and small shops under one roof, has been drawing crowds since its 1982 opening.

The University of Michigan-Flint has a full enrollment of 5,000 at a new campus across the Flint River from AutoWorld. Projections of the campus's eventual cost reach $80 million.

Elsewhere, planners are working on Carriage Town, a restoration at the wagon works that became the first Buick plant.

In October, the Flint City Council moved to apply for an Urban Development Action Grant for the "Flint Festival Marketplace," or Center City Plaza. It would occupy a downtown block that contains a now-defunct department store.

As with most Flint redevelopment projects, the Mott Foundation is financing the planning and helping to attract federal funding. The purpose behind all the new plans is to provide service jobs, said former mayor James Rutherford. "Service jobs will be dominant in the future—motels, office buildings, restaurants—those kinds of things," he said.

"It's because the other isn't going to be there. We have to start preparing for that," he added.

There isn't any question, the mayor added, that "with 11 GM plants, we are dominated by the auto industry." Mr. Rutherford said an "incubator" building will soon provide low-overhead operation for new entrepreneurs. It's part of a master plan for diversification with new high-tech industry. The racetrack he once hoped for did not materialize.

Meanwhile, GM is scheduled to close a Chevrolet engine plant by next summer, idling 1,350. By 1985 the company plans to close a Fisher Body facility to consolidate its operations into a modernized Buick plant. Some of the 3,500 Fisher Body workers displaced may find jobs at the new Buick City.

Work is already under way on a $300 million project to modernize the 60-year-old plant, one element of which will bring robotics to production. Steel coming in one end would drive out the other as finished cars. The transformation should reduce worker hours per full-size car from 47 to 29, employing 200 fewer workers than Buick's present production methods would require.

Some Buick suppliers would begin manufacturing parts at an adjacent industrial park set up on recently cleared land.

Pittsburgh Plate Glass and Kasle Steel, which will handle body preparation, have already broken ground for plants expected to create 200 to 400 jobs apiece.

The city has one daily newspaper, the *Flint Journal*. Cable tv claims 41% penetration in an area that covers Genessee, Shiawassee, Bay and Saginaw counties. The market is also served by 11 radio stations including six am signals.

Gary-Hammond, Ind.

Population '80	642,781
Rank	65
Est. income '82	$5,540,121,000

Gary leaders are trying to shake the city's image as the urban blight capital of the U.S. and replace it with an image of a city on the rebound.

An enormous job lies ahead. Downtown Gary continues to lie moribund, full of boarded-up buildings and mostly empty streets. Its housing market is still stymied by high interest rates and unemployment continues to hover between 12% and 13%.

But using a two-year-old convention center, extensive airport renovation, a tax abatement ordinance and a planned industrial park as selling points, the city is attempting to market itself.

"With all that is taking place in Gary currently, with all the planning and projects and the public-private sector cooperation we've seen recently, we're convinced that Gary is going to experience a solid rebound over the next 10 years," said Charles Miller, executive director of the Gary Chamber of Commerce.

Mr. Miller is referring to several major public and private sector cooperative ventures designed to attract new business to Gary, including:

- A $15 million to $20 million upgrading during the last two years of the Gary Municipal Airport, including a new terminal, control tower, runway lighting and other improvements. Mr. Miller said civic leaders hope the refurbished airport will stimulate commuter and corporate aviation traffic into Gary and surrounding cities, including Chicago.
- A 1982 tax abatement ordinance that could "go a long way toward attracting business and investment in our community," said Mr. Miller. Under the ordinance, a company setting up operations in Gary would be exempt from property tax the first year, then would be taxed on only 10% the following year, 20% the year after that and so on. Machinery would be taxed in a similar manner, but on a five-year scale.
- Formation of a Local Development Corp., a private and public sector effort. The group, formed only recently, is equipped with private and federal funds to finance commercial development in Gary. A light manufacturing company and an art and graphics production company already have made inquiries, according to Mr. Miller.
- Plans by the Gary Industrial Foundation, a private sector group, to develop a 50-acre industrial park in North Central Gary. Land has already been purchased and the next step is to plan roads and utilities that would serve the area, Mr. Miller says.

Business leaders also have renewed efforts to attract convention business to Gary's two-year-old downtown civic center. Such business has been slow since the center was opened in 1981, but a hard-sell effort is under way.

Mr. Miller attributed these recent efforts to general warming in the relationship between business and Mayor Richard Hatcher. The mayor and his business counterparts had been at odds over how to revitalize the city, but that situation has softened considerably, he says.

All the optimism and revitalization plans in the world, however, can't alter one major aspect of Gary's fortunes—its close links with the steel industry, which continues to lag.

Tens of thousands of area steelworkers remain unemployed with little hope of widespread callbacks anytime soon. Not only that, Gary now faces a new round of layoffs recently announced by U.S. Steel Corp., this one involving white-collar workers and managers.

In nearby Hammond, less dependent on steel than Gary, there have been sparks of renewed commerce, but the movement is a long way from catching fire. The city has nearly 1 million sq. ft. of unused abandoned industrial space, which could actually prove to be a blessing in disguise, said Dewey Pearman, executive vp of the Hammond Chamber of Commerce.

For instance, Dietrich Industries, a steel reprocessing company, has moved into the abandoned Pullman Standard Works in Hammond and created 300 new jobs. That total may grow to 450 in another year.

Merrillville, another community in the area considered to be generally more stable than its neighbors, received a jolt recently. Prudential Insurance Co. announced plans to close its Merrillville offices, meaning the loss of 900 jobs.

The Gary market is served by two daily newspapers, two am and two fm radio stations, in addition to the Chicago media.

Grand Rapids, Mich.

Population '80	601,680
Rank	69
Est. income '82	$6,106,720,000

Grand Rapids fared better than other large industrial cities in Michigan during the recent economic doldrums. Stuart B. Cok, the president of the local chamber of commerce, claims the city is "one of the top 25 fastest-growing areas in the country—the only one in the northeastern U.S. to make the list."

While unemployment in September was still 10.8%, economists were predicting a job surge. Residential construction is showing the biggest comeback. Other new construction is increasing job rolls.

Steelcase Inc. recently completed a $50 million headquarters building. The corporation is the largest of Grand Rapids' many manufacturers of office furniture. The company has already built an energy center on a 400-acre site where it plans to invest $500 million during the next 10 years. With business volume growing by 15% yearly, Steelcase predicts it may add as many as 5,000 to its present employe roster of 7,000.

Another 4,500 Grand Rapids residents work for Amway Corp. In June, the direct sales company opened a new plant to produce all of its cosmetics and personal care items at its complex in nearby Ada. Plans call for 180 employes when its highly automated equipment gets up to speed by January.

Recently, Amway Corp. pleaded guilty to defrauding the Canadian government of custom duties and will pay a record $20 million (U.S.) fine. The direct seller said it "settled" the case to avoid costly litigation.

Both co-founders of Amway made the recent *Forbes* list of richest Americans. Richard DeVos, 57, and Jay Van Andel, 59, were reported to share $300 million apiece with relatives. Their contribution to the community is helping to rebuild downtown Grand Rapids.

In October Mr. DeVos and Mr. Van Andel cut the ribbon formally opening the $65 million Amway Grand Plaza Hotel complex. Its first phase opened in 1981 after Amway purchased and began remodeling the city's landmark Pantlind Hotel. The second phase added a 29-story glass tower with 682 guest rooms, plus banquet and meeting space. It connects via enclosed pedestrian skywalk to the Grand Center for performing arts, conventions and exhibitions, which includes the DeVos Performing Arts Hall, completed in 1980. In September, the hall's operators dedicated an art installation titled "The Grand," a work designed by artist Alexis Smith for its foyer.

Mr. Cok of the chamber of commerce said plans are to build another public museum near the Gerald Ford Museum, which now attracts 300,000 to 400,000 visitors yearly. Work should begin next year. Also, Grand Valley State College is planning to establish a downtown campus. There probably will be another hotel and possibly downtown housing, Mr. Cok added. Already, furniture maker Carl Forslund has converted five floors above its downtown retail operation into condos.

More than a third of the city's jobs are in manufacturing. General Motors Corp. operates two Fisher Body and two Rochester Products plants in the area. The corporation has recalled all laid-off workers and is bringing in workers with seniority rights from other plants. "GM has 9,000 employes here and we think that will continue to grow," said Mr. Cok.

Other manufacturers of office and related furnishings are American Seating, Herman Miller and Architectural Systems, which is finding a growing market for its computer furniture.

Retail sales in the city dropped to a recession low in 1982, but are said to have rebounded in 1983.

An independent uhf station, WXMI-TV, began broadcasting in 1982. The Public Broadcasting Service station is increasing its audience share steadily, and GE Cablevision is extending its penetration in the suburbs.

The *Grand Rapids Press* is the daily paper. The Spanish community is served by *LaVoz*, a bilingual monthly, and there's a weekly black publication, the *Grand Rapids Times*. Community weeklies are published by Advance and Cadence newspapers and the *Register* in nearby Rockford. *Grand Rap-*

ids magazine gets competition from a regional magazine, *West Michigan.*

The market is served by two network tv affiliates, an independent and a noncommercial public/educational station. The area has 11 fm stations and seven am stations, along with service from General Electric Cablevision Corp.

Indianapolis, Ind.

Population '80	**1,166,575**
Rank	**34**
Est. income '82	**$11,160,718,000**

INDIANAPOLIS
INDIANA

National writers have often referred to Indianapolis as "naptown," but within three years the natives have become restless. Now the city wakes to the sound of jackhammers—and the smell of a growing market area.

More than $760 million in construction has been started, completed or planned in the past six years in downtown Indianapolis—a large portion since 1980.

In downtown Indianapolis, the American Union Life building was completed in October, 1982. At 38 stories high, the $50 million building is the tallest in Indiana. Of its 1.25 million sq. ft., 60% is commercially leased.

Also in 1982, Phillip R. Duke & Associates made its first mark downtown with the construction of One North Capitol, a 12-story office complex in the state capitol area. Duke's newest project, Two Market Square Center, an 11-story, $20 million building with office and retail space, should complement City Market and the Market Square Bldg.

In 1981, Robert Borns, an Indianapolis developer, changed local housing habits with the construction of Renaissance Place, a 120-condominium complex. Mr. Borns' current project is a $30 million Union Station renovation. Upon completion, scheduled for early 1985, the transportion center will give the downtown area 600,000 sq. ft. of retail shops, more nightclubs, restaurants and a 325-room "Garden of Eden" hotel.

Other office structures and retail developments in various stages of planning or construction include the R.V. Welch Office Bldg., a 12-story, $20 million tower boasting 240,000 sq. ft. of space; the Century Bldg., the largest privately funded renovation in the state at $10 million, and the Print Craft Bldg., with much of its space already leased to a high-tech company.

Indianapolis is also making several public space improvements. The Washington Street Transit Mall, a $16 million project, involves the one-way westbound rerouting of an eight-block segment of the "Main Street" of Indianapolis, providing an attractive setting for pedestrian and transit patrons. Also, the White River State Park is expected to be completed in the early 1990s. The 250-acre urban park, to be built along the White River in downtown Indianapolis, is a package that includes the Indianapolis Zoo, a water playground, a family amusement center, botanical gardens, a performing arts center and an 800-foot landmark tower.

Market analysts predict that Indianapolis will need more downtown hotel rooms, and the Commission for Downtown agrees.

Construction has begun on the Granada Royale Hometel, a 17-story structure that will have 350 luxury suites and, on its first three floors, 70,000 sq. ft. of retail space. The $30 million structure is expected to be completed by 1985. Also in the construction stage is the $6 million rehabilitation of the Warren Hotel, expected to be completed in 1984.

A mainstay of the Indianapolis economy is Eli Lilly & Co. Founded in Indianapolis in 1876, the company is the largest corporation headquarted in Indianapolis. It employs about 7,500 and its annual payroll exceeds $150 million.

Since Oct., 1981, Eli Lilly & Co. has announced nearly $110 million in projects for Indianapolis facilities. Recently completed is a building to produce Humulin, human insulin originating from recombinant DNA.

In the sports area, since 1982, the push to make Indianapolis the amateur sports capital of the country has been buttressed by $136 million in sports facilities. Indiana University-Purdue University is the home of a $21.5 million Natatorium. The new swimming facility is the site of the U.S. Diving Assn. National Headquarters and is attached by tunnel to the Track and Field Stadium, a $5.9 million complex that maintains permanent seating for 12,800 spectators. The $2.5 million Indianapolis Velodrome, completed in the summer of 1982, is one of the country's 13 bicycle-racing facilities.

Currently, construction is under way on a $77 million addition to the Indiana Convention Center that is to include a 63,000-seat domed stadium with extensive sports facilities and additional meeting and convention space.

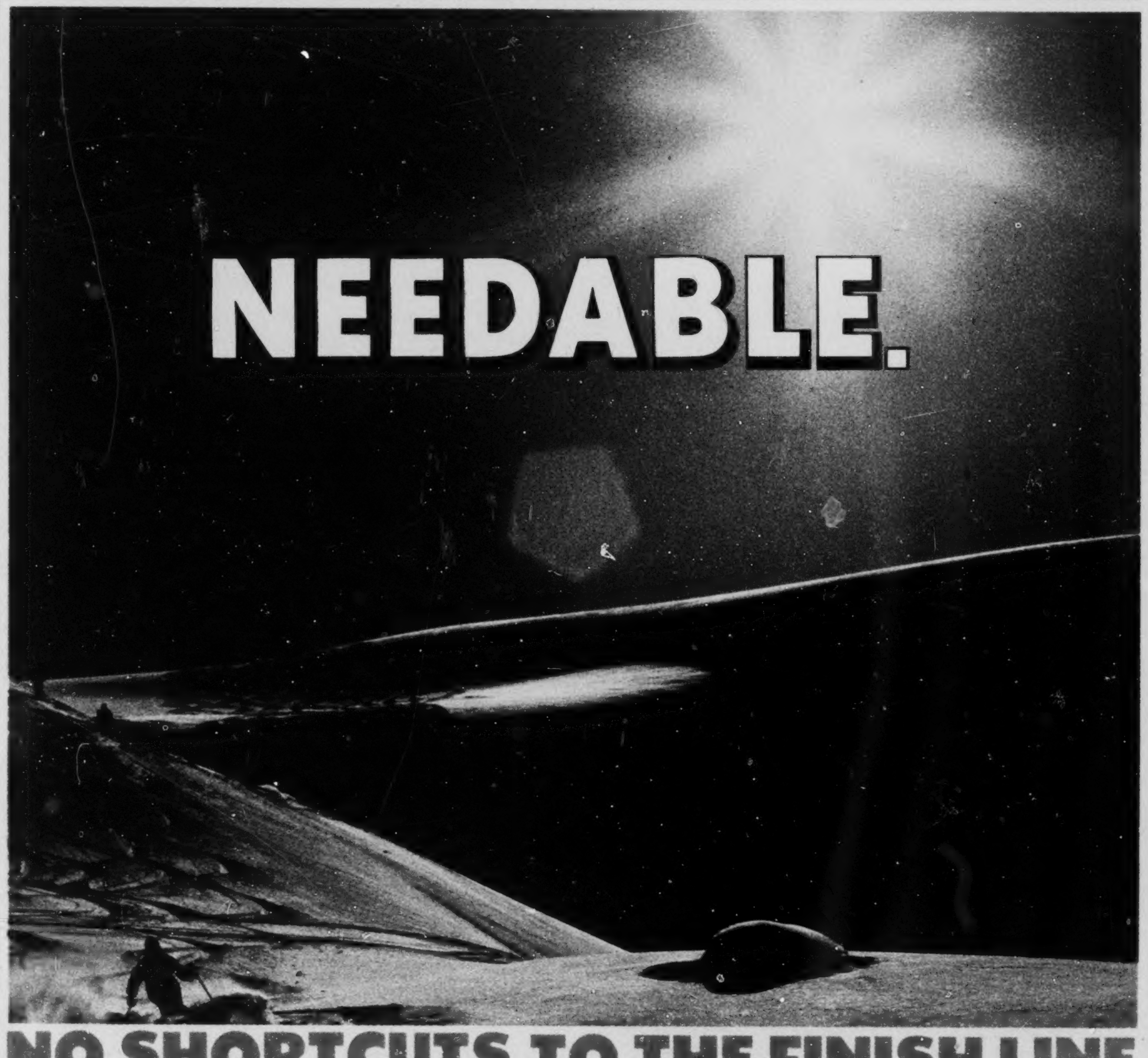
Expected to be completed by August, the Hoosier Dome, as it is being called, is a potential home for a hoped-for National Football League franchise. At this stage, Indianapolis is the largest tv market without an NFL franchise.

To underscore the seriousness of its effort, Indianapolis played host to the 1982 National Sports Festival. The event received a tremendous amount of national coverage and media attention and was a box office success, with ticket sales topping $1.1 million and attendance exceeding 250,000.

On a negative note, Western Electric announced plans to close its Indianapolis plant, located in the downtown area. Those plans call for the company to start phasing out operations in early 1984, closing by first quarter of 1986. Approximately 50% of the 3,700 employes are pension eligible, and the American Telephone & Telegraph Co., Western Electric's parent, says it will attempt to place the remaining workers in jobs within its operations. The Indianapolis plant is one of three Western Electric plants closing, while a fourth will be scaling down.

In a positive move, International Harvester's engine division recalled some 300 employes, largely because of a contract it signed with Ford Motor Co. to use International Harvester's 6.9 liter diesel engine in all of its heavy duty pickup trucks.

December 31, 1983, will mark the debut of a new, independent tv station in Indianapolis. USA Communications, whose largest owner is Anacomp



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SOURCES: *S&MM SURVEY OF BUYING POWER, 1983 • ABC AUDITS, 1982

Inc., will enter the media market with WPDS-TV. Anacomp is a computer software company located in Indianapolis.

Other media serving the area include two major dailies, the *Indianapolis Star* and *News*, three network tv affiliates, two existing independents and one public broadcasting station. American CableVision and Indianapolis Cablevision, owned by Indiana Cable Co., cover the suburban ring with cable tv.

Lake County, Ill.

Population '80	440,372
Rank	93
Est. income '82	$6,012,925,000

Lake County, Ill., for years thought to be little more than an extension of the Chicago suburbs, has become a population and economic entity unto itself. An effort dating back 14 years has finally resulted in the U.S. Census Bureau allowing Lake County to be listed as a separate MSA, a significant move in the drive to attract new business to the area.

"Now that we are a primary statistical area, it shows that we are an economic entity to be dealt with," said Charles Isely, president of the Waukegan Chamber of Commerce and board member of the Lake County Economic Development Commission.

This means that in trying to appeal to prospects, Lake County would be able to present data reflecting its own population and economic health, rather than being lost in the vast sea of numbers for the greater Chicago area.

And, said Mr. Isely, the statistics will show that a stable employment rate, new jobs and new households make Lake County just as good, or better, to do business in than Chicago.

"One of our big selling points is that we have a lot of room to grow and there's a lot of open space nearby," Mr. Isely said.

Relocations and expansions over the last two years have substantially outstripped closures and shutdowns in Lake County.

Olaf Sunstrand, a Styrofoam manufacturer, has already purchased land for a facility in Waukegan, said Mr. Isely. Evanston, Ill.-based American Hospital Supply Corp. and Cherry Co., an electrical components maker, are expanding operations in Waukegan.

In nearby Gurnee, Roquette Corp., maker of the artificial sweetener sorbitol, has also moved in recently. The Libertyville/Mundelein/Vernon Hills area has also seen several corporate relocations and expansions since 1980.

Among them have been U.S. Gypsum, which relocated its research facility to Libertyville from Des Plaines; Hollister Inc., which moved its headquarters there from Chicago two years ago.; Abbott Laboratories, which is expanding its North Chicago facilities; Wickes Lumber, which has moved from Michigan to Vernon Hills, and Rust-Oleum Corp., which moved to the same community in 1978.

This three-community area already has the prosperous Hawthorn Shopping Center, the Marriott Lincolnshire Resort and Corporate Center and the giant Great America theme park, also owned by Marriott Corp. "Great America has been a definite plus for us," said Wyndham (Spike) Hasler Jr., executive vp of the Libertyville/Mundelein/Vernon Hills Chamber of Commerce.

"It has had a tremendous impact, especially at the tourist end, and it has created spilloff effects to businesses in neighboring towns."

If the plans of Richard P. Cavenaugh, president of American Colossus Corp., ever take shape, Lake County would move from an area with promise to a mecca for business, industrial and economic development.

Mr. Cavenaugh's idea is the Sports Colossus, a domed edifice that would feature a giant sports stadium and include a hotel, convention center, housing units, business meeting facilities, trade center, stores and restaurants. All would be under a single roof.

The 12 million-sq.-ft. facility would seat 75,000 spectators for baseball and 100,000 for football, including luxurious private corporate boxes.

Mr. Cavenaugh estimated the total cost to be about $1.3 billion, and he claims to have a $700 million financing commitment already in hand from a Zurich bank consortium. The project would create 15,000 to 20,000 jobs and would be an unprecedented economic boon to Lake County, he said.

Not a single shovel of earth has yet been turned on the project, however, and many observers are skeptical it ever will be.

Mr. Isely takes a wait-and-see attitude about the Colossus. If it can be built, fine, but Lake County's economic future is not being laid at its doorstep, he said. "Some people said Great America would never come to pass, but it did."

The area is served by one daily newspaper and three am and two fm radio stations in addition to the Chicago print and broadcast media.

Lansing-East Lansing, Mich.

Population '80	419,750
Rank	99
Est. income '82	$3,811,957,000

With the presence of state government, Michigan State University and General Motors Corp.: Lansing and East Lansing, Mich., have a lot going for them, according to Thomas Gottheimer, Lansing's commercial industrial officer.

The strong market acceptance of Lansing-built Oldsmobiles, in particular, has resulted in the lowest unemployment rate—9.7%—in the state. A Fisher Body division plant is also located here. What's more, no permanent GM employe is on layoff in Lansing. In fact, workers from hard-hit Flint have moved in and some people have been hired off the street.

GM has invested $226 million in plant modernization, including a $180 million modernization program that has included a 40,000-sq.-ft. plant addition and installation of $163 million in machinery and equipment.

All this is in preparation for building GM's 1985 N car, which would mark the first time GMC has used facilities in Lansing for the development of vehicles for the entire corporation. Fisher is to produce bodies for Pontiac, Buick and Chevrolet as well as Oldsmobile, where the cars will be assembled. The Olds investment is $73 million.

Why Lansing? City officials see it as the very strong spirit of cooperation between labor, management and government, partially through Quality of Work Life employe involvement programs at Olds and Fisher. The city sponsors its own Lansing Joint Labor Management Committee, which teaches labor/management techniques. The result: Strong motivation and high productivity.

Motor Wheel Corp., maker of car, truck and military vehicle wheels and brake drums, is the third largest manufacturer in the area. The high-tech corporation is investing $6.6 million in a new corporate headquarters administration and data processing center adjacent to the university.

"I think the bottom line for Lansing is that GM has made a very serious commitment for the foreseeable future," said Mr. Gottheimer. "That has impact here in terms of 'just-in-time' requirements, bringing suppliers closer to the manufacturer. We are working to locate potential suppliers in the Lansing area."

MSU is part of the commitment. "While we had a downturn in enrollment in '81 and '82," noted Jim Jordan, executive vp of the Lansing Regional Chamber of Commerce, "the student population is up into the 40,000 bracket in '83."

In September, 1982, MSU opened its research laboratories to people in the mid-Michigan area. In July, 1983, invitations were issued nationally and internationally. These visitors had an opportunity to get better acquainted with the people and skills represented at MSU in the fields of high technology—particularly in the biomedical field.

"Lansing and East Lansing have a diversity of character that's perhaps a little unusual in a community of this size," said Robert Wilcox, general manager of Jacobson's East Lansing furniture and apparel stores. "We have a small town with a large university in it. And a large town with a lot of industry and state government in it."

Recently, the Lansing Economic Development Corp. has been working with MSU and local units to develop a package for locating the Michigan Biotechnology Institute. Plans call for the site to be on or near the campus. Partially state-funded, the institute would be devoted to developing new products and procedures in the biological sciences and in engineering related sciences. Private companies would be able to adapt the development for commercial purposes in, for example, alternative types of pesticides and genetic engineering.

Institute facilities would represent an investment of $8 million to $10 million. Now under construction is the $18 million university-related Hanna Technology and Research Center.

While two shopping malls are well established in outer areas, extensive residential and commercial building and restoration are taking place in downtown Lansing.

A 10-story office building providing 155,000 sq. ft. of space recently was completed and opened for business. The long-postponed construction of a 250 to 300-room Radisson Hotel began in November. And plans call for the early start of a convention center, designed for later expansion for concerts, circuses, lectures and other activities.

The Capitol Commons, a 500-unit, $26 million apartment and townhouse development is now open and almost fully occupied. Older buildings and a theater are being renovated.

The area is served by two newspapers, four tv stations, nine am and fm stations and three cable services.

Milwaukee, Wis.

Population '80	1,397,143
Rank	29
Est. income '82	$14,435,212,000

Milwaukee is known for its Old World charm, its beer, its ethnic restaurants, its horrendous winters, its slugging Brewers, its symphony and its zoo. Now it is getting national acclaim for its latest attraction: The Grand Avenue shopping center.

In August, 1982, the doors opened on the $70 million 850,000-sq.-ft. retail venture. It is a joint effort of the city of Milwaukee, the Milwaukee Redevelopment Corp. and Rouse-Milwaukee. The Rouse organization is a subsidiary of the Columbia, Md.-based Rouse Co., famous for its other real estate successes, among them Faneuil Hall Marketplace in Boston and the Gallery at Market East in Philadelphia.

The Milwaukee project is four blocks long and has some 165 shops, restaurants and businesses anchored on each end by two of Milwaukee's old guard department stores, Boston Store and Gimbels.

In the winter, a shopper will not be buffeted by frigid winds. A system of skywalks connects the elements of the project. The skywalk bridging the Milwaukee River, supposedly the first such skywalk in the nation, opened last month.

Part of the charm of the mall is the existence of five historic buildings, the gemstone being the Plankington Arcade, constructed in 1916. Other touches include a beer wall, with products from the city's brewing heritage.

"A once drab, eroding area of the downtown now beckons with attributes from the Land of Oz," said an editorial in the *Milwaukee Journal*. There is little dispute that the mall has revitalized downtown.

According to Paula Boyd, advertising/marketing manager with Rouse-Milwaukee, more than 8 million people visited the first year. More than 1,300 permanent jobs have been provided by the project and, according to Jon Wellhoefer, deputy commissioner of Milwaukee's Department of City Development, the $30 million public investment has helped attract $200 million in private investment to the downtown area. When it opened last year, occupancy was at 80%. Now that figure is up to 95%.

Despite the recession and the 1981 closing of the Jos. Schlitz Brewing Co., projects begun or ended in 1982—including the Grand Avenue mall—represented more than $500 million in development and more than 6,000 jobs. Among the projects, on the east side of the river, is a $78 million, 30-story office building developed by Winmar Co., a real estate investment subsidiary of Safeco Corp. Another retail and office project—west of the river—is the $56 million Henry S. Reuss Federal Plaza, to be connected to the Grand Avenue mall by the extension of the skywalk system.

On the residential side, housing permits in the four-county metropolitan area are up 168% from June, 1982, to June, 1983.

Although Wisconsin has had a lingering business image problem with its history of high taxes, according to a recent tax study Wisconsin's business taxes are now the lowest of 16 Midwest industrial and Sunbelt states. That is somewhat mitigated by a high personal income tax rate, which, however, brings high quality services.

"Nobody relocates to Milwaukee," said Jack Norman, business reporter with the *Milwaukee Journal*, who says it is the southern or western suburbs that are drawing new companies, attracted by the metro area's high quality workforce. One example, he says, is the Swedish Co. ASEA, manufacturer of robots, power transformers and electronic equipment.

Other virtues of the city that might attract newcomers, said John Pritchard, senior vp-executive creative director at Cramer-Krasselt advertising agency, are its proximity to Lake Michigan, its location in a "beautiful state" and its abundant cultural opportunities.

Top among those cultural opportunities is theater, the city's "liveliest art" says Tom Strini, dance critic with the *Milwaukee Journal*. The offerings include the Milwaukee Repertory Theatre, the Milwaukee Symphony Orchestra and the regional ballet company.

Despite the shifting from heavy industry to healthcare, medical technology and high technology, some of the biggest employers in the area continue to be old-line industries. This is still a blue-collar town, with some 28% of the workers unionized. The ethnic mix of Germans, Polish, Italians and Irish is sharing more with blacks and Hispanics these days, although the total minority population, as of 1981, was still only 14% of the total metropolitan population.

Among the top employers are Briggs & Stratton, manufacturers of small gas engines, with about 5,500 employes, and A.O. Smith Co., maker of automobile frames, with 4,000 employes. Then there's the Milwaukee landmark, the Allen Bradley Co., bearer of the world's largest foursided clock. (A minute hand is said to be 6 ft. long.) The company has 4,500 employes.

The two leading newspapers serving the Milwaukee market are owned by the Journal Co. However, the editorial departments are run separately, and according to one *Journal* staffer, they are "hotly competitive," and the stories "jealously guarded." The morning *Milwaukee Sentinel* targets the more affluent reader and the evening *Milwaukee Journal* caters to the blue-collar worker.

Other papers serving the metro area include the *Waukesha Freeman*, an afternoon paper and the *Daily Reporter*. In October, a new business tabloid hit the market, the weekly *Business Journal of Milwaukee*.

Milwaukee is served by seven tv stations, including two independents and two public stations. Warner Amex won the battle for the cable franchise for the city and five other cable companies serve the suburban areas. There are 11 am and 13 fm stations.

Saginaw-Bay City-Midland, Mich.

Population '80	421,518
Rank	98
Est. income	$3,955,263,000

Located at the notch of Michigan's thumb—residents think of the state as a mitten—the Bay City/Midland/Saginaw market is a busy manufacturing center.

Saginaw and Midland, at the ends of the longest portion of the triangle, are only 25 miles apart, and there is a great deal of economic, social and cultural interaction among the cities.

Nevertheless, each has its own chamber of commerce, and each vies for retail trade and jobs. One display of togetherness among the three towns is Tri-City airport in Freeland, served by United, Republic and Freedom Airlines.

The two largest construction projects in the area in recent years have both had major setbacks. In 1980, work began on a $122 million bridge designed to raise Interstate Hwy. 75 high above the Saginaw River. The present drawbridge often backs up traffic for miles when raised. Construction was halted in 1982 after a large crack developed in a completed span.

Work was also halted temporarily on Consumers Power Co.'s $4 billion nuclear power plant in Midland. After construction began 10 years ago, up to 3,300 workers were employed when building was at its peak. But activity ground to a halt after the nuclear accident at Three Mile Island. Meanwhile, the Nuclear Regulatory Commission rewrote the rule book to prevent a chance of another accident. Coupled with other construction setbacks, the project is running 10 years beyond its projected completion date.

Additionally, this summer, Dow Chemical Co. canceled its contract to pay $300 million a year for steam generated by the nearby nuclear plant, citing Consumers Power's failure to meet the agreed-upon delivery date. The big twin-reactor plant, however, is expected to begin supplying electricity to 1.3 million customers and provide about 1,000 Midland jobs when it starts up in 1985. During construction, about 11% of the workers came from Bay City and Saginaw.

General Motors Corp. is the biggest employer in both Bay City and Saginaw, but Saginaw was hit harder by the recession. Unemployment within the city limits hit nearly 21% in August, 1982.

The figure is now down to 17.8%, and to 12.7% in Saginaw County. More than 10,000 are employed in Saginaw's auto industry and another 7,500 in related metal foundry work at 12 GM plants.

The high unemployment rate has taught Saginaw County "a lesson," says Stephen Young, vp of the Saginaw County Chamber of Commerce. "We are spearheading a coalition of business, labor, education and economic development groups to put together a program for Saginaw County. We know we have to diversify. But we have to do everything to make sure that auto industry stays here."

"The coalition has been working on business retention," says Mr. Young. "We are looking at agriculture, an important industry here. About 95% of the world's navy beans come from here. And a lot of sugar beets. We raise the food and send it elsewhere for processing. The coalition is trying to get processors to move here, or to start our own venture."

Meanwhile, downtown Saginaw recently got a $6 million state office building. Also, in a historic area on the city's west side, old buildings are being renovated for stores and restaurants.

To the north, Bay City lost 15% of its population from 1970 to 1980, but Bay County's numbers increased by nearly 3%, finding its biggest population growth among boaters. Bay City is the second largest pleasure craft port in the state, a walleye fisherman's heaven. There's a shortage of docking spaces and parking for trailers at launching sites, and work has begun on a state park redevelopment to add spaces.

Though a Kresge store moved out in September, downtown Bay City space is 85% occupied, according to Franklin Braman, executive director of the Bay Area Chamber of Commerce.

Bay City's old part of town is stripping the plastic from buildings and laying bricks on sidewalks to create a historic area that city officials hope to fill with shops. A 20-store Lafayette Plaza opened recently, and a Meijer's Thrifty Acres is rising near Interstate Hwy. 75. Mr. Braman says Bay City is a popular shopping spot for residents of towns to the north and west, and stores take in $1.38 for every $1 earned in Bay City.

In addition to its big Chevrolet parts plant, the city has Gougeon Bros., a boat marketer. It employs 200 people in Bay City and plans to open a plant to make flexible wooden propellers for GM in nearby Pinconning. In August, Bay City's unemployment rate was 14.8%.

Midland is also a manufacturing town, but its biggest employers are Dow Chemical (12,000 employes) and its subsidiary, Dow Corning (about 6,000). Midland is the home of the largest chemical complex in the nation at Dow Chemical.

"Our economy varies more according to what the chemical industry is doing worldwide," says Mike Asiala, communications director of the local chamber of commerce. "Even in poor economic times, we do fairly well because we aren't tied to the auto industry." The unemployed make up 11.5% of the county's workforce.

Midland has no dominant shopping area, but it has six small areas. "We can't compete with a market like Saginaw, which offers large malls," says Mr. Asiala. Sun Oil and Production recently moved a regional office from Tulsa, employing about 100.

The market has three daily newspapers, one in each city, several weeklies, three tv stations, six am and eight fm radio stations and three cable services.

Toledo, O.

Population '80	616,864
Rank	68
Est. income '82	$5,827,687,000

"We've always been known as a sleeping giant," said an executive at a large Toledo ad agency. "But now the giant's starting to open one eye—at least."

That statement characterizes the vast change Toledo has experienced over the past three years. It also underscores the optimism that has spread throughout the Toledo business community as the downtown area has blossomed with a major redevelopment project and some large retailers have entered the suburbs and apparently found fertile soil for their enterprises.

By far, the biggest excitement in Toledo has surrounded the SeaGate redevelopment of about 10 acres of urban renewal land in the downtown business district. Sparked three years ago by Owens-Illinois Corp.'s ground breaking for a new 35-story world headquarters, the building and rebuilding bug has spread quickly.

Recently completed or currently under construction are a 26-story Ohio Citizens Bank office building; a four-story Toledo Trust office building; a $27 million twin tower office structure being developed by Webstrand Corp., and the $27 million, 250-room L'Hotel Sofitel.

Retailing also plays a major part in the SeaGate project. Portside, an 80,000-sq.-ft. "festival marketplace" developed by James Rouse and his Enterprise Development Co., is under construction. Portside will house 80 small, high-volume shops and restaurants. Scheduled for completion within the next year, Portside is expected to draw some 5 million people into the area in the first year.

And the snowball of redevelopment will grow much bigger if plans jell for a 100,000-sq.-ft. convention-convocation center currently on the drawing boards. That center, to be accompanied by a 300 to 400-room hotel, would cater to regional conventions and trade shows.

Although the convention bureau is negotiating to purchase the land for the center, ultimate funding for the $40 million project is still up in the air. Nevertheless, optimistic city officials expect a groundbreaking by next summer.

City planners are also looking to the future for redevelopment of the Adams St. corridor near SeaGate into a thriving retailing district.

And although there currently is no downtown market rate housing to speak of, the planners have land-banked an area called Middlegrounds for future residential development.

"Everyone's hungry," said Ed Schulte, director of economic development with the Toledo Area Chamber of Commerce.

Traditionally tied to the business of car making, Toledo was particularly hard hit by the big squeeze on the auto industry through the long recession. Thousands became unemployed in the myriad metalworking and glass companies supplying Detroit auto makers, as well as those employed by a large General Motors Corp. transmission plant and an American Motors Corp. Jeep plant.

But with the auto industry on a sharp rebound, those suppliers have been experiencing some fresh business, and call-backs have begun. The major plants, which boldly invested a total of $770 million in new capacity and equipment during the downturn, now are running at 100% capacity, giving the area an extra boost.

Unemployment in the market still hovers between 11% and 12%, but the retailing and housing sectors are seeing strong signs of the market's recovery.

While there has been little new housing construction, real estate brokers report increases of more than 100% in sales of existing homes through September.

And if confidence is returning to the consumers, it's also affected the retailers. Kroger Co. entered the suburban market in the past year with plans for five large strip developments that would be anchored by Kroger supermarkets and include about five other tenants. Two such shopping centers already have opened.

The area's largest mall, North Towne Square, opened within the past three years and is anchored by Montgomery Ward & Co., Sears, Roebuck & Co. and J.C. Penney Co.

Other major retailers serving the market include Lord & Taylor and Dayton-Hudson Corp's J.L. Hudson department store.

A discount retailer, Hills Department Stores took advantage of the upturn in the market in September when it moved into three large stores abandoned more than a year earlier by Woolco. Since opening, the new stores have been doing "a booming business," say observers.

The Toledo market is served by one daily newspaper, a chain of seven weekly suburban papers, three tv stations, seven fm radio stations and nine am outlets. In addition, a new tv station—a uhf independent—is expected to begin broadcasting in 1984. Two cable companies service the area.

Youngstown-Warren, O.

Population '80	531,350
Rank	79
Est. income '82	$4,410,149,000

Youngstown's economy faces the challenge of transforming itself from a

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Included in the MSA are Virginia's two largest cities, America's largest coal port and one of the East Coast's primary tourist attractions. In fact, this year's tourist season was the best the area has ever seen—helped by the opening of The Waterside, a new festival marketplace on the Norfolk waterfront. Nearby a new World Trade Center is under construction. And the area has been chosen as the site of a new, high-tech National Electron Accelerator Laboratory.

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heavy steel and metalworking economy into a service-based, softer goods district. Fortunately, the area's massive General Motors Corp. facilities have made the former steel valley into something of an automotive center, so that manufacturing jobs still contribute to the employment mix.

However, unemployment—16% to 20% through much of 1983—still runs higher in the metropolitan area than in much of Ohio, and it's clear that the cyclical problems Youngstown once had in the mid-1970s with low demand for steel have now turned into lasting changes, especially with the vanishing mills.

The GM assembly division in Lordstown has profited from a major overhaul and the recovery in automotive sales. Its J-car production, including the fairly successful Chevrolet Cavalier, has provided steady activity for a plant capable of employing more than 8,000 workers.

GM's Packard Electric division, with headquarters in Warren, has spread factory work throughout the Mahoning Valley, establishing satellite plants in Austintown and elsewhere. Packard accounts for 8,000 jobs or more, depending on automotive demand.

In Warren, Republic Steel Corp.—now headed for a merger with Jones & Laughlin Steel's parent LTV Corp.—has built a new but modest office building, and it has reinvested substantial amounts of money in renovating its Warren plant's blast furnace.

Youngstown has made only limited progress toward reviving the mills and renovating plants abandoned by U.S. Steel Corp. and Jones & Laughlin, and it lost the locally based Republic Steel manufacturing division last year.

Positive signs include the profitable "mini-mill" at the former U.S. Steel McDonald Mills, where McDonald Steel Co. now produces rolled steel shapes, many for truck wheel rims. But the plant employs 80, where U.S. Steel once had 3,500 jobs. Also Hunt Steel Co. took over the Brier Hill Works abandoned by J&L Steel in 1979. There, Hunt will build seamless pipe for oil drilling. The company is using relatively new technology and is to employ from 200 to 500 people.

These efforts go on despite some notable failures on the business development front. The Commuter Aircraft Corp. planned to build commuter aircraft at Youngstown Municipal Airport near Warren, and a plant was built, public financing obtained and stock sold in a private placement. But the $30 million project may not result in any planes in the foreseeable future, with foreclosure on the new 250,000-sq.-ft. plant a possibility.

Another development project, the Youngstown Steel Corp., planned to put out mini-mill products with a continuous caster using parts of the closed Campbell Works, site of the first major Mahoning Valley layoffs in 1977. But the plans ended in scandal when Youngstown Steel failed to follow through on conditions of loans and grants it received from the federal government.

Other industrial plans include at least two separate schemes for manufacturing dirigibles. The new emphasis by industrial development advocates here is on diversification away from big steel plans and toward small, though sometimes steel-related, businesses.

"With steel, you had peaks and valleys," said Weston O. Johnstone, president of the Youngstown Area Chamber of Commerce. "And when the valleys came, they were deep . . . During downturns we were the first area hit and the last to recover during good times. We've got to build an economy with many more shallow valleys."

Despite the industrial troubles of the past, the Youngstown housing market can be surprisingly resilient at times, with new developments of subdivisions supported by an area that is traditionally a net savings, not net borrowing, economy as a whole, according to local savings and loan officials.

Numerous food and retail shopping franchise businesses have opened in Youngstown and Warren in spite of recession, and the area's shopping malls continue to do well, probably aided by the efforts of Youngstown-based Edward J. DeBartolo Corp., which owns Southern Park Mall in Boardman, and the Cafaro Co.'s Eastwood Mall in Niles, halfway between Warren and Youngstown. Both mall developers are perenially in the top 10 of all U.S. mall builders, with DeBartolo frequently No. 1.

In downtown Youngstown, two senior citizens housing high rises have been built, one new, one rehabilitated from an old hotel. But the city's second-largest downtown department store, Cleveland-based Higbee Co., withdrew from the market in early 1983. Similarly, Montgomery Ward & Co., beset by its own nationwide problems, withdrew from the metropolitan area.

Fisher Foods, a Cleveland supermarket chain, stumbled in the area by trying a warehouse foods concept and then beat a hasty retreat.

The Youngstown-Warren area is served by two major daily newspapers. The area has three network tv affiliates and a public broadcasting station. It has 10 am and nine fm stations, including broadcasters in nearby Salem and those in Farrell, Pa. Six cable tv companies have laid claim to territories in the Mahoning Valley.

West North Central

Kansas City, Kan.

Population '80	519,031
Rank	82
Est. income '82	$6,034,503,000

When people mention Kansas City, they usually focus their attention on the city in Missouri. But there's another Kansas City—the one across the state line in Kansas—that cannot go unnoticed. Although there are two Kansas Cities that are separate entities geographically and politically, there is a similarity in their economies because of their close proximity.

The economy of Kansas City, like its larger neighbor, is a diverse mix of agribusiness, transportation, manufacturing, wholesaling and retailing. That diversity has helped the city avoid economic troubles experienced by other cities, but has also kept it from becoming a boom town on the strength of one particular industry.

The importance of Kansas City to the rest of the nation revolves around its central location and role as a transportation hub.

For instance, 12 trunk-line railroads serve Kansas City, Kan., and grain and other agricultural products are shopped worldwide from the rail yards here. The area is in the heart of a 10-state marketing region that includes 35% of the nation's farms and 44% of its agricultural acreage.

The interstate highway system that rings the city also is a reason for the commerical presence of many of the nation's largest trucking companies.

With the economic recovery under way, local economic observers are seeing signs of a pickup in local business activity.

"The transportation and wholesale trade activity has been much, much stronger during the last six months as more goods are moving through the system and companies are restocking their inventories," said Gerald Olson, an associate professor of economics at the University of Missouri at Kansas City.

Despite such optimism, the economy of Kansas City is not without problems. The city received a major blow to its economic base in August, 1982, when the Phillips Petroleum Co. closed its refinery, idling 735 workers.

The impact of the Phillips' closing still is not completely known, but local government officials acknowledge that the city lost a major source of jobs and tax revenue. There are also problems in downtown Kansas City, an area with many vacant stores.

But some local businessmen think things are changing for the better in the downtown area, which has continued to lose retail business to suburban shopping malls since the early 1970s. The reason behind that optimism is that the Center City Mall, a controversial 12-year-old urban renewal project that many blame for the district's decline, is being torn down. Detractors of the mall had said it closed the retail district with art objects and narrow, twisting traffic lanes that annoyed and bewildered drivers.

The city has also opened a new 30,000-sq.-ft. convention center in the downtown area and is making strides with its convention and tourism industry, despite the negative effects of the recession.

City officials, however, hear complaints that there are not enough hotel rooms to attract larger conventions to the city. So they are investigating the possibility of adding a new hotel near the convention facility.

The problems and possibilities of the downtown area aside, Kansas City is a focal point for medical research in the state. The University of Kansas Medical Center is the city's largest private-sector employer, with 5,500 workers.

Another major employer in Kansas City is General Motors Corp., with 5,174 workers at its automotive assembly plant located in the city's Fairfax Industrial District.

The plant, built in 1940 to produce bombers, was converted into an auto assembly plant in 1946, when it was leased, and later acquired in 1960, by GM. Although the plant was hit by thousands of layoffs in recent years, it has found new life recently.

The GM Fairfax plant, which makes full-size passenger cars, has added about 1,900 workers since May, 1982, thanks to a leveling off of gasoline prices that caused Americans to start returning to large cars. GM officials say the plant is now almost at full capacity.

Other major companies employing between 1,000 to 3,000 workers include Certain-Teed Products Corp., Owens-Corning Fiberglas Corp., Sante Fe Railroad and Union Pacific Railroad.

In addition, the city also has a foreign trade zone area that has attracted a growing list of businesses.

Kansas City is served by five daily newspapers, more than 30 weekly newspapers, seven tv stations, seven cable tv companies and 13 am and 19 fm radio stations.

Kansas City, Mo.

Population '80	914,427
Rank	46
Est. income '82	$9,024,357,000

The diversity of Kansas City's economy, which has helped insulate the area from economic busts experienced by other cities, failed to protect the city from the worst of the 1981-82 recession.

In fact, the seven-quarter recession punched holes in many key Kansas City industries: Agribusiness, distribution, wholesaling, retailing, service and manufacturing.

But now the economy is starting to come back. Local economic observers say Kansas City's industrial and commercial diversity is the key to the city's economic recovery.

Despite a slump that tested the resiliency of Kansas City's economy, the area has consistently managed to maintain an unemployment rate ranging from half a percentage point to nearly 2% under the national average.

Furthermore, the cost of living in the Kansas City area generally is lower than the cost of living in other major U.S. cities.

"Kansas City's economy is coming back a little bit stronger than it did after the 1973-75 recession," said Gerald Olson, an associate professor of economics at the University of Missouri at Kansas City. "The area held its own employment-wise during the recession, and now many manufacturing companies have begun calling people back to work."

The signs of economic recovery are perhaps most visible in the area's rising rate of construction activity. The cost of money has come down moderately to the point where developers believe they can afford to borrow to finance new construction.

As a result, there has been a flurry of development announcements in Kansas City.

Civic officials estimate that Kansas City's "miniboom" will add up to $1 billion worth of development areawide in 1983 for projects in downtown Kansas City and the neighborhood surrounding the famed Country Club Plaza.

Nonetheless, there are economic problems affecting Kansas City that need to be corrected, particularly the continued depressed conditions in agriculture.

Farm income is down and improved crop yields have hurt by keeping commodity prices too low. Interest rates are too high for many farmers, preventing them from buying new tractors and other heavy equpment.

As a result, some Kansas City businesses, ranging from small equipment suppliers and feed stores to Farmland Industries Inc., the nation's largest farmer-owned cooperative, have suffered right along with farmers.

Despite the importance of agribusiness in Kansas City, the largest employer in the city is government, with 79,500 workers, according to the Missouri Divison of Employment Security.

The area's largest private-sector employer is Hallmark Cards, which has about 6,900 employes. Although privately held, the Kansas City-based greeting card company said in a recent report that it annually records more than $1.25 bilion in sales.

The area's second largest private-sector employer, despite recent layoffs, is Trans World Airlines, which has about 6,600 employes. Many of those workers are employed at TWA's huge aircraft maintenance and overhaul base near Kansas City International Airport.

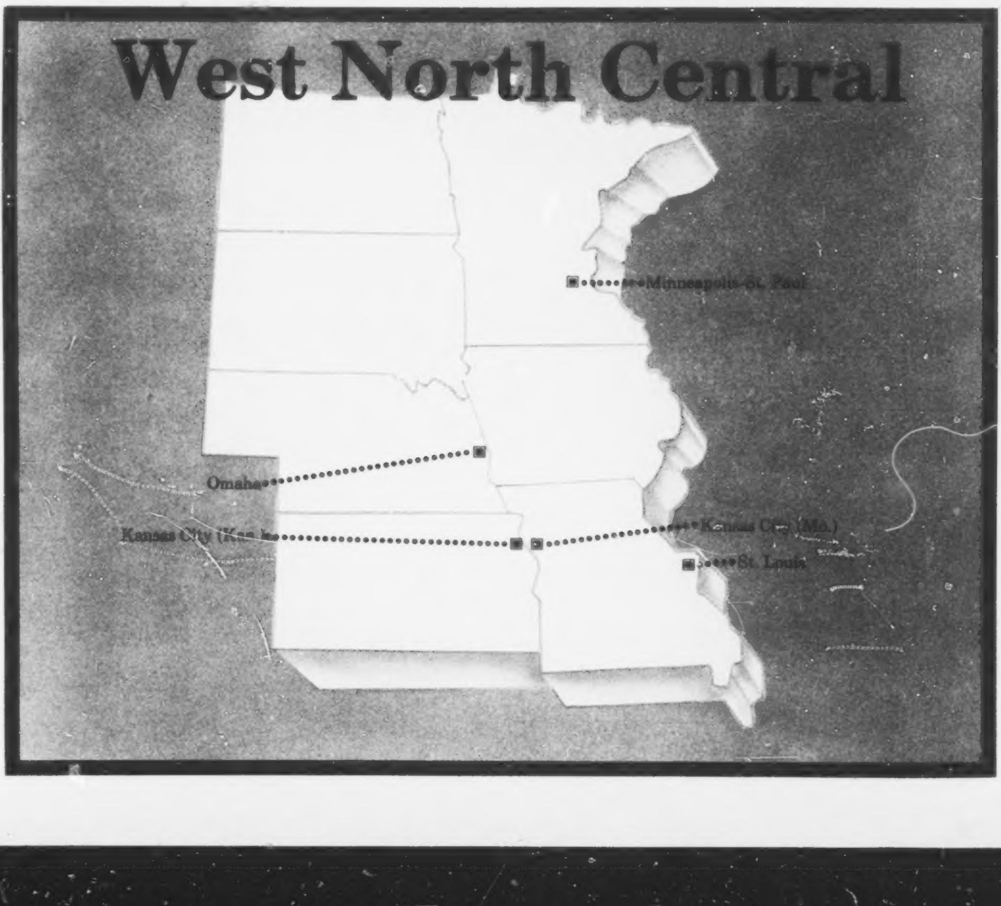
Other major employers are Bendix Corp., Ford Motor Co., which operates an auto essembly plant here, and General Motors Corp., which has one Kansas City assembly plant; another GM assembly plant is in Kansas City, Kan.

Although Kansas City is the headquarters of few *Fortune* 500 companies—Butler Mfg. and Interstate Bakeries appear on the list based on their 1982 sales—there are other sizable corporations based here, such as Kansas City Southern Industries, H&R Block and Marion Laboratories.

Kansas City also has a large graphic arts industry, ranging from printing and envelope companies to Hallmark Cards.

The city ranks first nationally in farm equipment distribution, foreign trade zone space, frozen food storage and distribution, greeting card publishing, hard red winter wheat used to bake bread and underground storage space.

Kansas City also has developed into a regional financial center, in part because of the presence of the Federal Reserve Bank of Kansas City. In addition, the city is the home of the Kansas City Board of Trade, which pioneered trading in the investment market's



first stock index futures contract.

Kansas City is served by five daily newspapers, more than 30 weekly newspapers, three network tv affiliates, two independent stations and a public broadcasting station, 13 am and 19 fm radio stations and cable programing.

Minneapolis-St. Paul, Minn.-Wis.

Population '80	2,137,133
Rank	13
Est. income '82	$23,748,181,000

There have been good times and bad times in the Twin Cities lately—a time when a newspaper died and a building boom began; a time when an airline struggled for survival and a high-tech industry flourished.

To the naked eye, the Twin Cities economy is booming. Downtown Minneapolis, especially, is in an almost constant state of renovation—so much so that by 1990, more than half of the office space downtown will have been built after 1980.

It all began with the recently opened City Center project, a square block of stores, offices and hotels in the middle of downtown. The latest addition to the project, the 606-room Amfac Hotel, opened in November.

Construction is scheduled to begin next year on what may be the tallest building in the Twin Cities, the Norwest Bldg. The building will contain about 1.5 million sq. ft. of office space, about half to be occupied by Norwest Corp. Completion is scheduled for 1987. Among the retail tenants will be a Saks Fifth Avenue department store.

Among the buildings completed in the last year are the 52-story Multifoods Tower, the 40-story Piper Tower and the 40-story Pillsbury Center.

But not all the activity has been in Minneapolis. The 25-story Amhoist Tower, containing offices and condominiums, recently opened in downtown St. Paul. Under construction is the Ordway Theatre, a $28 million, 2,000-seat opera house and concert hall that will be home to the St. Paul Chamber Orchestra and the Minnesota Opera Company.

Not all business was booming, however. The most troubled of Minnesota's major companies was Republic Airlines, which lost more than $100 million in the first six months of 1983. Republic was able to trim expenses by getting its labor unions to agree to substantial pay cuts.

Many of the area's old-line companies experienced modest growth. Meanwhile, the area's largest company, Minnesota Mining & Mfg. Co., had a 1.4% increase in revenues in 1982 from 1981, to $6.6 billion. General Mills, Pillsbury Co. and Honeywell all had single-digit rises in earnings and revenues.

The biggest winner was the Dayton-Hudson Corp. The Minneapolis retailer had increases of nearly 25% in earnings and 14.5% in revenues.

Much of the future growth is expected to be in the area's burgeoning high-tech industries. Lee Data Corp., which manufactures interactive computer terminal systems, experienced a 287% revenue increase to $53 million, and a 470% earnings rise to $11.4 million.

Dramatic increases in revenues were also reported by CPT Corp., which manufactures office automation systems; Cray Research, which makes scientific computers, and Network Systems Corp., which manufactures data communications products.

Summarizing the business climate in the area, Roger Maurer, an economist with First Bank Minneapolis, said: "Just as the local economy didn't decline as much during the local recessions in the first half of 1983, the local economy didn't recover as rapidly in the second half. But the indications in the last three or four months are that the local economy is fully participating in the national recovery."

One of those indications is that contracts for future construction rose to $166.6 million in the Twin Cities in September, up from $139 million a year ago. And for the first nine months, Twin Cities contracts were $1.41 billion, a 25% increase from the first nine months of 1982.

The employment picture was brighter, too. The Twin Cities unemployment rate in September was 5.6%, down from 6.5% a year ago.

The brightening economic picture gave the business community hope for an improving corporate climate. The state is expecting a revenue surplus of $650 million by mid-1985, raising hopes for lower corporate taxes. And Gov. Rudy Perpich said his top priority for the 1984 legislature is repeal of a 10% income tax surcharge.

The legislature cleared the way for a new Minnesota industry in 1983, when it legalized parimutuel horse racing. A racing commission will soon begin hearing proposals for metropolitan area racetracks. Wide-scale parimutuel betting isn't expected until 1985, however.

There was also vigorous activity among the local media in the past year. The most notable development was the closing of the *Minneapolis Star.* The afternoon newspaper was folded into the morning *Tribune.*

At the same time, *CitiBusiness*, a new biweekly devoted to the business community, was born. The paper, which began publishing in April, has a circulation of about 40,000.

St. Paul is served by the *Dispatch* and *Pioneer Press.* On the broadcast side, WCCO-TV christened its futuristic new communications center in downtown Minneapolis. The $18 million complex is the home for WCCO's ambitious activities in both broadcasting and cable programing.

Cable tv was finally becoming a reality in the Twin Cities. After years of law suits and political struggles, Rogers Cablesystems finally began wiring Minneapolis. Across the Mississippi River, Continental Cablevision is preparing to wire St. Paul for cable tv.

The other major entry into the Twin Cities tv market came in November of 1982 with the opening of KXLI-TV, a uhf station licensed to serve St. Cloud, Minn. KXLI's antenna, however, is located halfway between St. Cloud and the Twin Cities, which is 75 miles away, and KXLI's programing can be clearly received by many in the Twin Cities.

In all, the area is served by five vhf stations, four uhf stations and 15 am and 17 fm radio stations.

Omaha, Neb.-Ia.

Population '80	585,122
Rank	70
Est. income	$5,770,596,000

When Fireman's Fund Insurance Co. searched for a Midwest regional headquarters, the American Express Co. subsidiary said it looked at several cities before settling on Omaha.

While the company declines to name the runners-up, it was willing to say that Omaha was chosen because of its schools and what Nebraskans call the work ethic. The two factors weighed heavily, Fireman's Fund said, because they indicated Omaha would be able to provide trainable, hard-working personnel.

Fireman's Fund, which originally planned to hire 200 people, has a staff of 300 in its first months of operation. Mel Sherman, the executive in charge of the center, said further expansion is likely.

The arrival of Fireman's Fund, with a regional office, was tangible evidence that Omaha and its adjacent city, Council Bluffs, Ia., are poised for a decade of growth in the 1980s. The metropolitan area, which straddles the Missouri River border between Iowa and Nebraska, has a diversified economic base that includes the headquarters of one of the country's largest and most prosperous railroads (Union Pacific/Missouri Pacific); a large insurance company (Mutual of Omaha); a growing energy company (InterNorth), and the largest flour-milling and chicken producer (ConAgra).

Although Omaha still is regarded as an agricultural center, the economic diversification of the 1970s and 1980s

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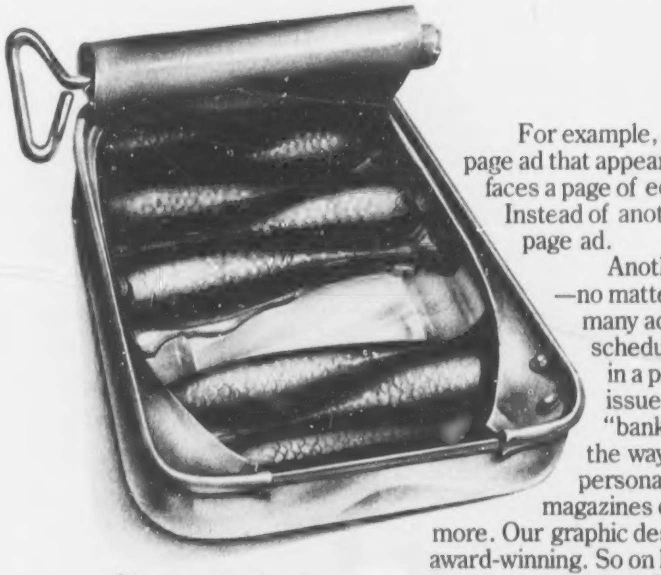

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100

has given new importance to high-tech companies. Omaha-based First Data Resources, another American Express subsidiary, is the country's largest bank-card processing company. It operates a large mailing operation (100 million bills annually) and Wide Area Telephone Service (WATS) center handling credit-check calls.

First Data Resources recently was selected by the U.S. Postal Service to handle calls nationwide on the new nine-digit Zip codes, a contract worth several million dollars a year.

Omaha is the home of Warren Buffett, chairman of Berkshire Hathaway, an investor known worldwide. Mr. Buffett, who started with a small stake 25 years ago, has accumulated wealth estimated by *Forbes* at more than $500 million. His holdings, most of them organized under the publicly held Berkshire Hathaway company, include the *Buffalo Evening News* and sizable holdings in the *Washington Post*, General Foods, RCA Corp. and the Nebraska Furniture Mart, an Omaha company that operates the largest furniture store in the country (1982 sales of $90 million).

Mr. Buffett, although one of the country's richest men, used to list his home telephone and address in the Omaha phone directory. He said he was forced to unlist his number because of the number of calls he was getting from people who wanted investment advice at odd hours.

Like Mr. Buffett, Omaha's fame is growing as a place to make money. The city's downtown development program has attracted regional attention and is beginning to win national praise as an example of how to rebuild with private money what once was block after block of empty, unproductive buildings.

In place of abandoned warehouses and stores, the city has mixed private and government money to construct a riverfront mall with a park-lined waterway leading to the Missouri River. The mall is completed, on either side, by new buildings costing nearly $100 million.

Soon to come are more downtown buildings, including a Farm Credit Bank, a Federal Reserve Bank and a new hotel. They would join a new twin tower office building (constructed by Los Angeles financier David H. Murdock), a new public library, Northwestern Bell Telephone's five-state headquarters and a combined state office building and conference center.

Much of Omaha's progress is attributable to commitments made by wealthy residents, a group headed in the last decade by contractor Peter Kiewit, architect Leo A. Daly and corporation chairman (InterNorth) Willis A. Strauss. Messrs. Kiewit and Daly are deceased, and Mr. Strauss has passed many of his responsibilities on to a younger generation of Omaha leaders.

Mr. Kiewit, who died in 1979, continues to be a considerable civic influence through his estate and foundation. During his lifetime, Mr. Kiewit recognized that without a commitment by private individuals Omaha would languish behind more attractive regional centers such as Kansas City, Denver and Minneapolis.

Mr. Kiewit, whose wealth exceeded Mr. Buffett's, paved the way for the downtown redevelopment with contributions that were matched by other business and civic interests. His estate has been organized in such a way that contributions to the community will continue to flow to various projects through a foundation.

A native of Omaha, Mr. Kiewit had a provincial patriotism typical of Nebraskans, a theme that is carried out in the title of the state university song: "There is no place like Nebraska."

The print media is dominated by the *Omaha World-Herald*, which Mr. Kiewit owned. He stipulated in his will that the paper be sold to its employes. The *World-Herald* also operates weekly newspapers in suburban communities. Other newspapers in the metropolitan area include the *Council Bluffs Non Pareil*, a daily owned by the Thomson Newspapers organization, and the *Bellvue Leader*, owned by Chicago publisher Bruce Sagan.

Omaha has three network tv affiliates and 12 am and six fm radio stations. The city has one cable company serving it, while others operate in Iowa and in suburban areas.

American Segments, IV

Farmtowns: Rustic cities

Ten metro areas with highest percentage rural

		% rural
1.	Atlanta	20.4
2	Indianapolis	19.9
3	Columbus, O.	18.1
4	Cincinnati	17.0
5	Pittsburgh	15.3
6	Buffalo	14.9
7	Seattle	14.1
8	Portland, Ore.	13.4
9	St. Louis	13.0
10	Baltimore	12.3

Note: All areas have more than 1 million population.
Source: *American Demographics* magazine, October, 1982.

Is this a Twin-killing?

By M. Howard Gelfand

Folks in these parts take their professional sports pretty seriously. A few years ago, when the push was on for construction of a domed stadium, Hubert Humphrey warned that the alternative might be a life without major league sports—a life, he said, that would turn the Twin Cities into a "cold Omaha."

That chilling specter helped get the stadium—the Hubert H. Humphrey Metrodome—built. But now, after two years of domed baseball, the stadium that was supposed to keep the Twins here is facing the prospect of their departure. The cynics, of course, suggest that professional baseball has already left Minnesota. The Twins wound up in last place with a 60-102 record in their first year in the dome, and were 70-92 this year.

Those records are a large part of the problem. Fewer than 1.8 million paid to see the Twins in their first two years in the dome—compare that with the Los Angeles Dodgers, who drew about 7 million during the same period—and if things don't improve dramatically in 1984, team owner Calvin Griffith might be tempted to head south.

When the Twins moved into the dome, they signed a 30-year lease, but the lease had a loophole as big as the great indoor stadium itself. The loophole gives the Twins the right to break the lease if attendance doesn't average 1.4 million a year after each three-year period.

So now the Greater Minneapolis Chamber of Commerce has set up a committee to try to help the Twins sell enough season tickets next year to put 2.4 million people in the Metrodome. Although Mr. Griffith hasn't said he'll move the team if the effort fails, he hasn't said he won't. And that worries the downtown businessmen who saw the stadium as a way of revitalizing the inner city.

What also worries them are some highly public overtures made this summer by a group of Tampa Bay businessmen who are trying to lure a team to their own new domed stadium (*see story on Page M-40*). The anxiety reached its highest point in October, when *Sports Illustrated* quoted one of the Florida businessmen as saying Mr. Griffith was "down to where he's selecting the spot for the toilet in his private office." (The Tampa Bay group is willing to install Mr. Griffith as a team executive.)

While Mr. Griffith is playing his cards close to his vest, there is speculation that the $24 million offered the Florida group offered may no longer be enough. Dave Mona, a public relations consultant to the Twins and a member of the chamber committee designed to help market the Twins, says: "Calvin is smart enough to realize that all of his alternatives are reasonably bright. His crisis is which of several ways to get rich."

In two years, the Twins have drawn fewer than 1.8 million fans.

Indeed, even without 2.4 million fans next year, Mr. Griffith seems destined to enjoy a considerable profit. He has been breaking even with a payroll consistently among the lowest in baseball, and next year the Twins will start getting annual payments of $7.5 million from a new network tv contract.

Critics, in fact, suggest that the downtown businessmen are trying to save the Twins from themselves—in effect guaranteeing that Mr. Griffith would continue to emphasize economy rather than quality. Mr. Griffith has a reputation for peddling high-price players in exchange for players of lesser quality and considerably more modest salary requirements.

Says Julian Empson, who led a campaign by baseball purists to prevent the construction of a domed stadium: "It's interesting that the pillars of capitalism are willing to subsidize someone for running a bad franchise."

And U.S. Sen. Rudy Boschwitz (R.-Minn.), saying Mr. Griffith "systematically milked" profits and drove the team into the ground, has threatened to introduce legislation that would require a major league baseball team to allow local investors to match offers from outside interests.

Mr. Mona responds that "the effort is to preserve major league baseball in this area rather than a 'Save Calvin' effort. The appeal is to a major league quality of life. Everybody agrees that a bailout for the Twins would fail."

Mr. Mona acknowledges that attracting fan support won't be easy "in an environment that they [the Twins] have found increasingly hostile."

Beyond selling 2.4 million tickets next year, the real effort to preserve major league baseball is aimed at finding local investors. Mr. Griffith is 72 and not on speaking terms with his only son, Clark, so sale of the team seems likely in the near future.

"We don't have an indication that the Twins are for sale," says chamber of commerce president Merlin Dewing, "but we want to be prepared should that ever happen."

But, privately, everyone involved with the ticket-sale effort agrees that it is at best a short-term—and expensive—solution. Civic leaders were proud that the Metrodome, which is also home to the football Minnesota Vikings, came in under its $55 million budget. But even if the Twins drew 1 million fans next year on their own—something they were unable to do in their first two seasons in the dome—the additional 1.4 million tickets would come to about $11 million.

"It's difficult to look beyond 1984 because if the Twins have some talent, people might go to the ballpark and say, 'This is an enjoyable experience' and come back," says Mr. Mona. "The question is, will our efforts be enough to allow them to get 1.4 million on their own, or will we need another artificial insemination job three years down the line?"

It's a question the Twins can't answer, but the evidence suggests that the Twins are prepared to reap the benefits of the current outburst of civic anxiety.

The team's season-ticket brochure is hot off the press, and its cover features not any star players but the Metrodome itself. The headline reads: "The Minnesota Twins . . . Vital to Minnesota's Quality of Life."

M. Howard Gelfand, an Advertising Age *correspondent in Minneapolis, contributes frequently to Magazine.*

St. Louis, Mo.-Ill.

Population '80	1,808,621
Rank	19
Est. income '82	$18,619,343,000

Like an unwanted guest, the recession came early to St. Louis, stayed late and consumed more than it should.

This fall the area's unemployment rate still was above the national average, but callbacks by the auto industry were expected to improve the figures.

In fact, St. Louis' economic picture appears brighter now than it has in several years. The downtown area is in the midst of a building boom; the city's historic residential and commerical districts are being rehabilitated, and three auto companies are expanding production here.

One of the biggest changes taking place in St. Louis, however, is strictly psychological. Many residents, tired of seeing their city portrayed as a dying, decaying metropolis, have regained a long-lost sense of pride. "There's a more exciting spirit around here than I've seen in a long time," said Kennett C. Johnson, president and chief executive officer of Batz Hodgson Neuwoehner advertising agency. "You can hardly walk around downtown without getting mud on your shoes. Construction barricades are everywhere. And I find many clients are more aggressive and outward-looking than they once were. That's in contrast to the rather insular conservative attitudes we've seen so often in the past."

St. Louis has, at various times, claimed identity as the top of the Sunbelt, the easternmost western city and the westernmost eastern city.

In truth, the last description probably fits best. St. Louis' physical appearance, its economy, even its personality probably are more closely akin to East Coast cities such as Boston and Baltimore than to the younger metropolises to the west or the south.

The city, however, is also rooted solidly in the Midwest—in the stubbornly conservative "Show Me" state. Marketers report the "show-me" attitude often turns up in people's cautious response to new products. "If it sells in St. Louis, it'll sell anywhere," some say. But Mr. Johnson said St. Louis consumers also tend to have stronger brand loyalty than might be found in more trendy markets.

Like its East Coast cousins, St. Louis has had to struggle with urban decay and an economic base built on heavy industrial manufacturing. It's handling the transition better than some predicted. Though the city's population has been steadily declining, the population base of the broader area has remained stable, and the city itself has become more of a commercial center.

Peter Morrison, director of the Population Research Center of the Rand Corp., says things aren't as bad as they looked a decade ago when his organization insisted St. Louis was in terminal decline. "What's noteworthy is that there's so much more new construction down here than was apparent 10 years ago," he told a conference group. "All that construction means something is happening. It means the city is becoming less just a place to live."

The downtown's revitalization is seen as an encouraging sign, especially because national developers are getting into the act. Several downtown office buildings are being rehabilitated, and new construction projects planned or under way downtown include:

- A $135 million renovation of Union Station, an old railroad terminal, into a shopping and recreational complex to be developed by Rouse Co.
- St. Louis Centre, a $186 million shopping mall and office complex to be anchored by the city's two biggest department stores—Famous-Barr and Stix Baer & Fuller—along with a 20-story tower and 234-room hotel.
- Gateway Mall, a three-block project near the Arch, which would put office buildings on the northern half of each block and open park space on the other half.

As an auto manufacturing center, St. Louis saw employment in that sector drop dramatically from 1977 to 1982, but now the outlook's improving again. General Motors just built a new plant here and put 2,500 auto workers back on its rolls. It also decided to keep its plant in north St. Louis—once slated for closing in 1982—open for at least three more years.

Chrysler converted its idled truck plant to production of the rear-wheel-drive Fifth Avenue, and its auto assembly lines now build the Chrysler Laser and Dodge Daytona. In addition, Ford is expanding its plant here and retooling for eventual production of the Ford Aerostar, a minivan.

Although St. Louis isn't exactly a high-tech center, it has its share of industries moving in that direction. The region's three biggest employers are McDonnell Douglas Aircraft Corp., Southwestern Bell Telephone Co. and Monsanto Co.

McDonnell Douglas and Monsanto, along with Washington University, explain the presence of more than 44,000 science and engineering professionals working in the region. McDonnell Douglas Automation Co. operates one of the largest computer centers in the world, and Monsanto has a plant here that produces enough silicon wafers to meet 10% of the world demand.

One of the mainstays of St. Louis media was in the news last month, when the S.I. Newhouse-owned *Globe-Democrat* announced it plans to cease publishing Dec. 31. In November, the federal Justice Department, which sanctioned the joint-operating agreement the *Globe-Democrat* has with the *St. Louis Post-Dispatch*, said it would search for a buyer for the *Globe-Democrat*. If none was found, the paper would be allowed to fold.

The two papers have been operating under the joint-operating agreement since 1979. A powerful chain of free weeklies rings the suburbs, and their advertising inroads are seen by some as contributing to the demise of the *Globe-Democrat*.

The area also has 19 am and 21 fm radio stations, and in tv, three network affiliates, two commercial independents and a public broadcasting station. Ten cable companies serve the suburbs and outlying areas. The city hasn't yet granted a cable franchise.

South Atlantic

Atlanta, Ga.

Population '80	2,138,231
Rank	12
Est. income '82	$21,582,976,000

It could be called the Second Reconstruction of Atlanta. There is so much building going on that tourists jokingly ask residents when the city will be finished.

Atlanta is the transportation center of the South, and as such it continues to improve its highways, rapid transit system and airport.

The world's largest and second busiest airport Hartsfield Atlanta International, opened a $500 million terminal complex in 1980 and its fourth runway is scheduled to open next year.

The Metropolitan Atlanta Rapid Transit Authority continues building its rail lines and stations, in addition to operating 800 buses, which cover 2,000 miles each day. More than $1.4 billion has been spent in building 16 miles of rail line and 20 stations. Five more stations and another nine miles of line should be completed during 1984. The plans call for 53 miles of rail lines to be laid by the end of this decade.

Atlanta's position as transportation hub is nowhere better illustrated than where the six legs of three major interstate highways converge in downtown. More than $1.6 billion of highway and interchange improvements are under way.

The downtown lodging market is also experiencing a resurgence in building.

Three major hotels are scheduled to open during 1984, coinciding with the near doubling of the 350,000-sq.-ft. Georgia World Congress Center, the city's major convention hall. Atlanta's convention bureau claims the city is the third busiest convention city in the nation. Last year, 1,000 conventions brought 1.5 million delegates, who spent $421.8 million.

One of the hotels scheduled to open next year is noted architect John Portman's latest edition to his Peachtree Complex. The 1,674-room Marriott Marquis would be the city's largest convention hotel.

Last year saw the completion of the 52-story Georgia-Pacific Corp.'s tower and the return of that company to its place of birth. The paper products company moved from Portland, Ore.

But perhaps no company will have as instant impact on a city as the new BellSouth, the telecommunications holding company forming on Jan. 1 as a result of the breakup of American Telephone & Telegraph Co. BellSouth, which comprises the operating companies of Southern Bell and South Central Bell, will instantly become the largest corporation in Atlanta. Yes, for the first time in decades, Coca-Cola Co. will be ranked second, as BellSouth will be nearly twice the size of the beverage and entertainment company.

According to the *Sales & Marketing Management* "Survey of Buying Power," the total metropolitan area had a net effective buying income in 1982 of $21 billion. The same survey found that retail sales had increased to $11.5 billion.

Metropolitan Atlanta is covered by eight daily newspapers, the largest being the *Atlanta Constitution* (morning) and the *Atlanta Journal* (evening), both owned by Atlanta-based Cox Enterprises. The news staffs of the two were merged last year, but they continue to publish separate morning and evening newspapers.

Eight tv stations, including the network affiliates, broadcast in Atlanta—half vhf and half uhf. Twenty-nine am radio stations, 11 commercial fm stations and five noncommercial fm stations can be heard in Atlanta.

And, of course, Atlanta is the home of Turner Broadcasting System, Ted Turner's superstation and cable operation. Mr. Turner recently won the war of the all-news cable programs when he agreed to acquire—from Group W Broadcasting & Cable and ABC Inc.—and dissolve Satellite News Channels. TBS' Cable News network and its CNN Headline News remain cable tv's only news programing.

Baltimore, Md.

Population '80	2,199,531
Rank	11
Est. income '82	$18,674,846,000

If one were to write a textbook on how to reshape the economy of an ailing industrial city, they would most likely turn to Baltimore Mayor William D. Schaefer for all the right answers.

During his 12-year reign as Baltimore's mayor, Mr. Schaefer has presided over one of the boldest and most successful urban revitalization efforts in U.S. history, and many believe the inner city redevelopment effort has been the single most important force behind the city's economic liberation from cyclical smokestack industries.

Since the opening of the 130-store Harborplace shopping and restaurant complex in 1980, the city has spread its revitalization efforts over 225 acres of adjoining land covering a large portion of the city's downtown business and shopping district. And, as Mr. Schaefer begins his fourth term as mayor, he is in the midst of a new push to upgrade the city's 82-acre retail district and bolster the white collar workforce.

A study released this year by Baltimore's Johns Hopkins University highlights the transformation of the economy, reporting that white collar workers in the area now outnumber blue collar workers two to one. In 1975, more than one half of the pay in Baltimore came from blue collar employment. Today white collar salaries far exceed blue collar paychecks.

Fueled by its improving economy, which now has an unemployment level below the national average, and a new subway system that opened in November, the mayor is making his second serious push to reshape Baltimore's inner city.

The focus this time is on the Lexington Market Center, an 82-acre stretch of land somewhat removed from the inner harbor area.

Consistent with the basic objective—more white collar jobs downtown—the city has made a deal with Los Angeles-based developer David Murdock, who has agreed to provide retail shopping space and at least 1 million sq. ft. of commercial office space in exchange for the right to develop the district's prime real estate.

Already, Mr. Murdock has received rental commitments for 80% of the space available in the largest project, the Atrium at Market Place, a seven-story structure that combines new construction with the historic renovation of an existing building. The corner-

American Segments, V

Migration: Mobility in motion

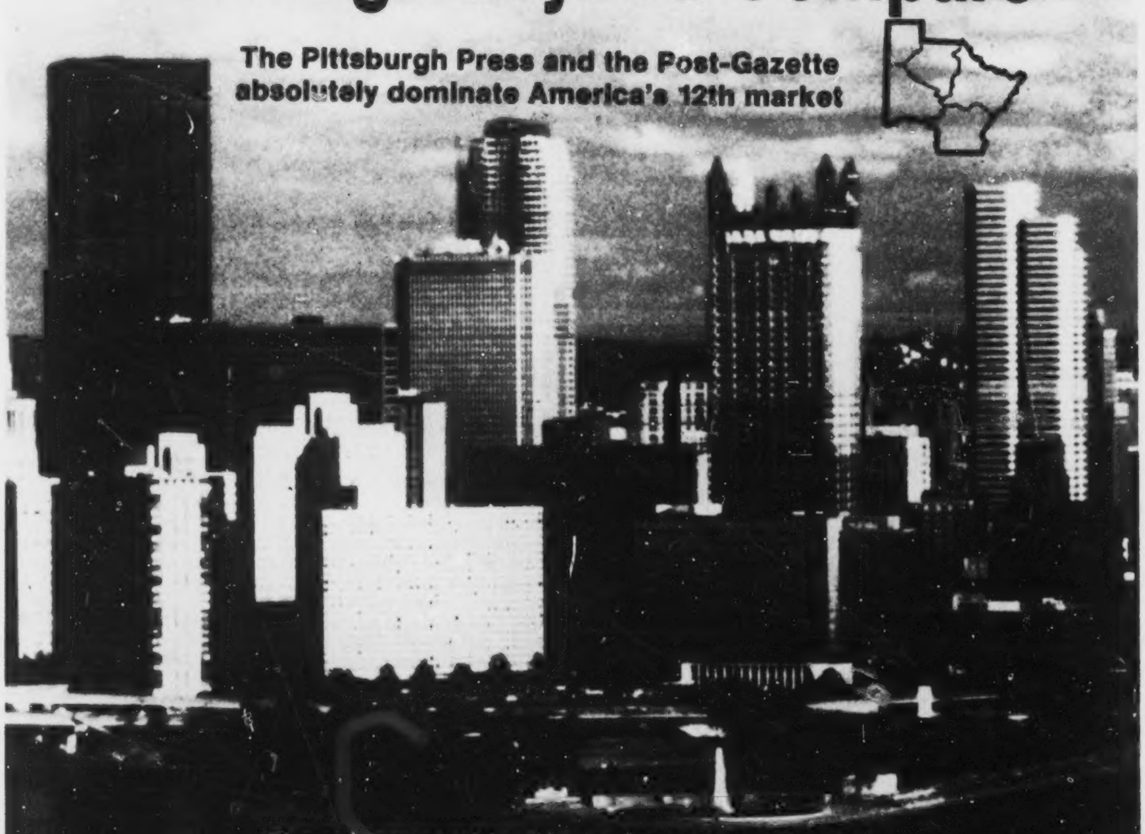
Ten states that gained more than 100,000 people, 1975-80

Arizona
Colorado
Florida
Georgia
Nevada
Oklahoma
Oregon
Tennessee
Texas
Washington

Source: *American Demographics* magazine, September, 1983.

Coverage Beyond Compare

The Pittsburgh Press and the Post-Gazette absolutely dominate America's 12th market



The am/pm combination packs a powerful punch in the five-county CMSA, where 848,000 adults read the daily Press and/or Post-Gazette.

The Sunday Press, with 1,225,000 adult CMSA readers, has outstanding (62.7%) penetration, including 85.3% of the 426,700 adults in Allegheny County's $25,000 + households.

It also delivers valuable coverage of a fifteen-county tri-state area which includes Western Pennsylvania and parts of Ohio and West Virginia.

Call Bill McCormick (412-263-1336) for details of our reach and readership as researched by Belden's 1983 CMS. Or contact Story & Kelly-Smith, Inc.

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stone of the Atrium project will be the flagship location of Baltimore's Hutzler's department store, which is scheduled to move into the new facility next fall.

The new Market Center project also includes the renovation of several historic buildings, a 700-car parking garage, luxury residential apartments and a commitment by the city to rebuild the area's infrastructure, including streets and sidewalks.

Developer James Rouse, who designed the initial Harborplace project, continues his activity along the inner harbor area. Mr. Rouse already has 1,400 new hotel rooms under construction, and another 200 are inching off the drawing board.

In addition, theme park developer Six Flags is expected to convert a massive old unused power plant into a $22 million indoor amusement park a few blocks from the Harborplace mall. If plans continue on schedule, the park would open in 1985.

The city's consortium of business leaders, the Greater Baltimore Committee, reports that development along the eight-mile stretch of the city's new subway system has not yet blossomed, but it predicts that once the initial nine-stop system is in regular operation, land values and demand for property along the route will increase.

Even some older sectors of the Baltimore-area economy fared better in 1983 than in past years. After a two-year delay, General Motors Corp. gave concrete approval for a $250 million retooling project at its Baltimore facility that will allow the plant to produce its new line of 1984 cars. The decision to renovate rather than close the plant will save several thousand jobs.

The picture at Bethlehem Steel's Sparrows Point plant was not as bright, however. During its post-war boom, the plant had 30,000 employes. Today, plant employment is at half its peak, and 4,000 of the 15,000 person workforce is on indefinite layoff.

Employment at Bethlehem's Baltimore shipyard is also down, and many believe the economic viability of the operation will hinge on the city's ability to lure the federal money needed to dredge the harbor floor.

The Reagan administration's push for more federal defense spending has boosted the local economy, which houses research and production facilities for the nation's top defense contractors. Westinghouse Electric Corp., Martin Marrietta Corp. and Bendix Corp. are all expanding their Baltimore area facilities, and the county's planning department notes an increase in hiring and expansion among defense-related companies.

Baltimore's housing market is also showing signs of improvement. The city's planning office predicts the new subway system and increased downtown employment will increase the demand for housing in the inner city. The 19th century homes in Baltimore's west-end neighborhoods are reportedly ripe for renovation and are expected to emerge as the city's hottest neighborhoods.

The city's professional sports industry had mixed news during 1983. The hometown Orioles were the winners of the World Series and broke a home game attendance record by drawing more than 2 million fans. But the news for the city's National Football League franchise was not as upbeat. A string of poor seasons and lackluster ticket sales have many predicting that 1983 may be the last season for the Colts in Baltimore.

Both the Hearst Corp.-owned *Baltimore News American* and A.S. Abell Co.'s *Baltimore Sun* newspapers print morning and afternoon editions. The city also has eight tv and 26 radio statios (11 am and 15 fm).

Charleston, S.C.

Population '80	430,462
Rank	96
Est. income '82	$3,479,511,000

Billed as "America's most historic city," Charleston—its over-all character, its architecture, urban pattern, moderate climate and coastal location all help make the area a major national tourist attraction.

Charleston is the second largest tourist market in South Carolina, with expenditures from these visitors amounting to more than $350 million annually. Part of the reason for Charleston's popularity with tourists is the Spoleto Festival USA, "the world's most comprehensive arts festival," which comes each year during May and June.

Between 125 and 140 performances in all of the arts are offered, along with many major new introductions of works by international artists. Historic Fort Sumter and Patriot's Point Naval Park (home of the aircraft carrier Yorktown, a submarine and the nuclear-powered ship, Savannah) have long attracted tourists year-round.

Meanwhile, major revitalization efforts in the historic King St. area continue at a steady pace. The older homes, shops and warehouses in the area are being restored or converted to their former beauty for use as offices, homes, apartments and specialty shops, all designed to augment the already strong retailing base of the area.

One of the largest medical complexes in the Southeast is located in Charleston. Included are five major hospitals: Charleston Memorial, Medical University, Roper, Saint Francis and Veterans Administration hospitals.

The entire Medical University of South Carolina is located in this complex, too. A short distance away, in North Charleston, is the North Trident Regional Hospital and the U.S. Naval Regional Medical Center. Major expansion and construction work have been ongoing at all these locations.

A major economic consideration in Charleston is the South Carolina State Port Authority, which brings in $1.5 billion in direct and indirect income per year statewide, affecting about 48,500 jobs. Of this total, 14,000 are in the Greater Charleston area alone.

Of the 20 ship berths owned by the state authority—more than two miles in total length backed up by more than 2 million sq. ft. feet of enclosed storage area—Charleston has 17. More than 12,000 containers on chassis can be parked in the port's backup area.

In May, 1982, the new Wando Container Terminal was opened with three new container ship berths and four special container cranes added. The 561-acre site is across Charleston Harbor from other port authority facilities on the mouth of the Wando River, 12 miles from the open sea.

The Charleston Harbor Deepening Study, authorized by Congress in 1976, is now complete and has moved into advanced engineering and design phase. The channels, deepened to 40 ft., should be capable of handling general cargo vessels of almost every size.

Elsewhere, in 1981, the area experienced the largest increase in terms of dollars invested in the state, as well as the largest increase in new dollars invested. The value of products manufactured in South Carolina climbed 16% over 1980, with one half of this increase occurring in the area.

Among the plants expanding or locating within the area have been Airco Carbon, R-M Industrial Products Co., Homemaker Rugs, Siebe Norton Inc. and USA Inflatables.

Among other developments:

- The new Charleston Marriott, with 303 rooms and costing $23 million, opened in July.
- Site work for the $50 million in new construction was begun for the Charleston International Airport with completion expected in January, 1985.
- The new $55 million downtown Charleston Center, with 430 rooms and conferences facilities, is expected to be completed in early 1984.

The area is served by two daily newspapers, five weeklies, four tv stations, 13 radio stations and various cable companies.

Charlotte-Gastonia-Rock Hill, N.C.-S.C.

Population '80	971,391
Rank	42
Est. income '82	$8,853,294,000

The roads cross in Charlotte, and therein lies the backbone of the area. Indeed, this North Carolina market is in a location that gives it efficient access to most of the major markets of the East.

Major interstates, for instance, straddle the market, making it an important transhipment point for goods and services, with the city a key contributor to the continued stable economy and growth of the entire region.

As a major wholesale center, the Charlotte area has more than 1,800 wholesale companies within its borders. Combined, these companies bring in a total sales volume of $11.1 billion annually, with the city itself accounting for $9 billion of that total.

As a major transportation center, Charlotte also has 150 actively operating trucking companies. The closing of Johnson Motor Lines, while creating some short-term problems, has not affected the over-all picture during the past few years.

Goods are not the only things that enjoy the area's transportation facilities. More than 300 passenger and freight trains pass through Charlotte weekly. Also, five commercial airlines serve the area from the expanded modern airport on the west side of the city. Charlotte is also designated as a port of entry and has a Free Trade Zone as well.

In the construction sector, low costs are a key in the number of new companies coming into the area, as well as the numerous expansions undertaken by existing companies. The city is said to rank the second lowest in construction costs in the nation.

Construction experts cite stable wage rates, favorable weather conditions, readily available supplies of a variety of building materials, a large skilled work force and a large number of experienced contracting companies as reasons for these low construction costs.

Another consideration is the state's strong right-to-work law. North Carolina is ranked second lowest in union membership in the country.

In 1982, 17 companies began operations in the Greater Charlotte area, providing direct employment to 2,600 workers, using 3.4 million sq. ft. of commercial space and investing $197.5 million.

In the first six months of 1983, a total of 140 companies created 2,086 direct new jobs, occupied 2.3 million sq. ft. and invested $129.2 million. Among these companies were Freightliner Corp., with 100 new employes occupying 72,000 sq. ft. of new space; Guest Quarters, a new 175,000-sq.-ft. hotel with more than 100 employes and investment of $10 million; Park Hotel, a 135,000-sq.-ft., $15 million investment, and Bendix Automation.

International Business Machines Corp. expanded its operations by 115,000 sq. ft. and invested $52 million in computer-banking equipment manufacturing.

Because of the low corporate tax burden in the State of North Carolina and the uncomplicated system of taxation in Charlotte and in Mecklenberg County for businesses and individuals, taxpayers are subject to only one property tax assesment and only one tax payment. The city and county jointly operate one tax department.

As for cultural opportunities, Spirit Square, Charlotte's own "Home For the People and For the Arts," a centrally located facility for the creative arts, has become a cultural focus for the entire area since it opened in 1980. Activities offered there include performances, exhibitions, classes, demonstrations and rehearsals.

Media serving the area include two daily newspapers, eight weeklies, 14 am and nine fm radio stations, four commercial and three public broadcasting tv stations, as well as cable tv services.

Fort Lauderdale-Hollywood-Pompano Beach, Fla.

Population '80	1,018,200
Rank	39
Est. income '82	$12,281,371,000

Fort Lauderdale continued its metamorphosis from tourist town to a business mecca in 1983, and its emerging base of high-tech industries cushioned the economy from the nation's recession.

Retail sales during the three-month period ending in July rose 8.9% over year-earlier levels, to $96 million. Lord & Taylor moved to snatch a share of the market in October, when it opened the first of four stores planned for this area by 1986.

"We are right in the center of the fastest growing area of the state and companies are noticing that," said Joseph Siclari, manager of economic development with the Fort Lauderdale/Broward County Chamber of Commerce. "If companies want to sell internationally they are in the center of three international airports and ports.

"Locally, they are in the center of a region with 3.5 million people, and this region is expected to be the fastest growing in the state over the next 10 years."

Fort Lauderdale is playing to these strengths, developing an infrastructure

'Play ball!' becomes hard ball

By Fred. W. Wright Jr.

Tampa and St. Petersburg—the twin cities on Florida's west coast—have established a baseball rivalry even before the first pitch is thrown.

In fact, although neither city yet has a major league baseball team, a major league rhubarb is heating up over who is going to be first to join the Boys of Summer lineup.

Both cities want a major league baseball team, and both cities admit two such teams can't survive in the Tampa Bay area. A heated race has been under way for more than a year to see who can land the most funds and the firmest promise for a major league team.

Tampa wants to lure an existing team—the Minnesota Twins have been frequently mentioned *(see story on Page M-38)*—and build a stadium with private funds. St. Petersburg wants an expansion team and a stadium with public funds.

Here's how the two proposed stadiums compare:

In Tampa, the plans call for a replacement of Al Lopez Field, which is adjacent to Tampa Stadium, home of the National Football League's Tampa Bay Buccaneers and the U.S. Football League's Tampa Bay Bandits. The cost of the stadium, which is supposed to seat 46,000, is $50 million. There would be parking facilities for 11,000, and groundbreaking is scheduled for April, 1984, to be completed in February, 1986.

For the St. Petersburg site, a downtown location in an area known as the Gas Plant, between 9th and 16th Sts. North, has been chosen. Plans call for that facility to seat 43,000, with 4,416 parking spaces and another 16,000 nearby. Groundbreaking for the St. Petersburg site is scheduled for February, 1984, with completion scheduled for September or October, 1986.

Both stadiums would be domed, air-conditioned and offer artificial surfaces for the players. Both would be multipurpose facilities, usable for other sports, concerts and exhibitions.

In the day-to-day fluctuations of the competition, some of the players and their names change. Tampa's facility is tentatively titled Tampa Bay Baseball Coliseum. St. Petersburg started with Sportsplex.

Whatever the names and numbers, however, the rivalry is merely a current battle in a war—a war of image—that has been going on for decades between the two cities.

Tampa has traditionally maintained an image of a young business community on its way up. Its skyline has been punctuated in recent years by a half-dozen new high-rise office and hotel complexes.

St. Petersburg has traditionally held an image of senior citizens sitting on green benches, playing shuffleboard or feeding pigeons. It hurts St. Petersburg that Tampa already has two major league football franchises, not to mention the Tampa Bay Rowdies soccer team. To lose the baseball war would be one more nail in St. Petersburg's old-folks image.

"St. Petersburg and Pinellas County have a not-very-favorable image when it comes to competing for major issues with Tampa," says Robert Stewart, president of a 4,000-member booster team known as the Clutch Hitters. "To counteract the age-old image of St. Petersburg as a sleepy retirement village, the stadium is a focal point." If we don't make it with the stadium, we're going to have to regroup."

Tom McEwen, sports editor of the *Tampa Tribune*, says he believes a major league baseball franchise is needed before Tampa can have a major league image.

"A major league baseball team completes the image," he says. "Now you're on everybody's sports pages all year long—not just during the football season."

Each side—the Tampa Bay Baseball Group in Tampa, the Pinellas Sports Authority in St. Petersburg—cite reasons the team and the stadium should be in their hometown.

The impact on whichever community gets the package is in millions of dollars of added revenue. St. Petersburg boosters point to 210 construction jobs, $7.4 million in construction wages, $36 million in generated local revenue per year of operation and annual sales taxes of $1.8 million.

Tampa backers say their planning—which includes the potential to expand seating to handle playoffs and even World Series games—could bring $35 million to $50 million into the community each season if the hometown team ranks near the top of its division.

The principal arguments center on location. Because the two cities are separated by Tampa Bay and connected by a series of bridges, Tampa Bay Baseball Group backers call a St. Petersburg site "a bridge too far."

Tampa is near the center of a commuter wheel, says Ray Bennett, architect and organizer of the Tampa Bay Baseball Group. More people from the center of Florida will drive to Tampa for a weekend of games during a typical 81-game season than will drive the extra distance over one of the bridges to St. Petersburg, he says.

A local baseball team will draw an annual average of 1.3 million fans if placed in St. Petersburg vs. 2.3 million in Tampa, Mr. Bennett says. "We're near the center of the wheel rather than at the rim," he says.

All of this has not been without some humor:

One of the potential backers of a St. Petersburg franchise in Florida is Florida Progress Corp., owner of Florida Power Corp., which is the local electric company.

That has St. Petersburg sportswriters attacking their keyboards with vigor. The local team should have real power hitters, they say, and every player would be a utility infielder. AA

Fred. W. Wright Jr. is a free lance writer in Redington Beach, Fla.

designed to attract business to the area.

The area's Tourist Development Council began putting money aside for a convention center and hired a director with experience promoting resorts. After eight years of planning, the $262.5 million expansion of the Fort Lauderdale/Hollywood International Airport finally got under way.

Despite Fort Lauderdale's growth-oriented moves, however, the nation's recession cut into the tourist industry, and the percentage of hotel rooms occupied dropped to 62.5% during the first seven months of 1983 from 70.5% a year earlier.

Yet Fort Lauderdale saw the start of nine new hotels, including the area's first hotel-convention center. Built by Marriott Corp., the $80 million, 643-room center is targeting business travelers, not tourists, and should be completed by 1984.

Unemployment hit a five-year high in January, as the national recession side-swiped the tourism and related service sectors. But the 9.1% unemployment rate stayed well below state and national levels.

Housing starts rose 190% from year-earlier levels in the second quarter and commercial construction boomed.

The chamber of commerce reported a 23% increase in office space, while available space in industrial parks declined 10%. Mr. Siclari said there will be 2 million sq. ft. of additional office space in Fort Lauderdale by next year.

Jim Garver of the Broward County Economic Development Board said Fort Lauderdale's business sector has found a niche between Palm Beach County's high-tech center and the labor-intensive industries in Miami. Fort Lauderdale is close enough to Miami to draw on the supply of unskilled labor, yet it offers amenities to attract high-tech employers, he said.

This year Racal-Milgo moved from Miami to Plantation, Sensormatic Inc. expanded and Xerox Corp. signed a long-term lease to run its Central and South American distribution business out of Port Everglades, he added.

Fort Lauderdale's Port Everglades managed to sidestep the devastating effects the Latin American recession had on the Port of Miami. A strong dollar in Europe, where Port Everglades' trading partners are concentrated, boosted import income.

The port's campaign to improve cruise and cargo business netted a 30% increase in tonnage and a 56% increase in earnings this past year, and its new 20-year master plan shows it plowing $106 million into developing one of the most significant containerized cargo facilities in the U.S.

Mr. Garver said Fort Lauderdale will continue to grow as long as it can attract the labor-intensive high technology companies that Palm Beach County cannot support.

"Our base is comprised of telecommunications, electronics and computer operations, technology related industries tied in with two other areas, aerospace and medical technology," he said.

"Growth in these areas has attracted a cross-section of industry and we are finding that like attracts like," Mr. Garver added.

Fort Lauderdale has the morning *Sun-Sentinel* and the evening *Fort Lauderdale News* serving its area. A large portion of the area's tv programing comes from a spillover of Miami media.

The market has one independent tv station of its own, six fm and four am radio stations, and receives cable programing.

Greensboro-Winston-Salem-High Point, N.C.

Population '80	851,851
Rank	52
Est. income '82	$7,593,055,000

National recognition has come to this area yet again. In late 1981, the "Triad" was ranked by Rand McNally's "The Places Rated Almanac" as the top mid-size city in terms of livability in the nation.

In addition, Winston-Salem received an honorable mention in the City Livability Award category from the U.S. Conference of Mayors.

In January, the Winston Plaza broke ground for a deluxe 327-room hotel next to the Benton Convention Center. The complex, which carries a price tag of $27 million, will be managed by the Stouffer Corp.

In April, the downtown welcomed the Roger L. Stevens Center for the Performing Arts. And a $1 billion R.J Reynolds Industries expansion project is moving ahead on schedule.

In fact, a variety of business openings and expansions continued at a steady pace across a broad and diverse field of interests. Wilson-Cook Medical, is locating both its corporate headquarters and a manufacturing facility in the Grassy Creek Business Park; Piedmont Aviation has occupied 67,000 sq. ft. in Madison Park; Central Business Systems division of Centel Corp., moved all branch operations in Virginia and the Carolinas to the area.

Other developments: General Cinema Corp., a major bottling corporation, opened a new facility in October; North State Supply Co. completed a $35 million facility on South Stratford Rd.; Triad Life Insurance Corp. opened a new $1 million building, and Hechinger Co. opened a major department store employing more than 100 people.

Despite the national recession, the economic activity in nearby Greensboro continued to move along well through the past several years, creating an upbeat business climate.

Major corporations have opened new facilities or expanded existing ones in the market. They include Volvo-White Trucks, Procter & Gamble, Interforest Ltd., Lin-PAC Corrugated, Dun & Bradstreet, Fuji Foods, Analog Devices and Lockheed.

Also, the new $65 million Greensboro Regional Airport is spurring industrial and office park development, including the new 1,600-acre corporate campus in Eastern Guilford County.

Office developments are proceeding at such a rapid pace that the speculative building market has taken up nearly all available buildings.

A new Sheraton Hotel in downtown and a First Citizens Bank Bldg., as well as many new offices, all bode well for the downtown area's future.

In the employment arena, Greensboro's unemployment rate stands about 7.5%, below both state and national averages, with the traditional employer sectors of textiles, apparel and furniture continuing to lead the way.

The majority of economic activity for the Triad is coming from the High Point area, center of the international furniture industry, which at present exceeds $100 million in new construction or expansion projects centered in or around the downtown core area.

Among the major developments already started, completed or just breaking ground are a new $20 million Radisson hotel, convention center and parking complex and the new seven-story, 300,000-sq.-ft., $10 million Decorative Arts Center in the Southern Furniture Market Center. This center is expected to have its showrooms open year-round to serve the nation's retailing and decorating trades.

Another project—the redevelopment of Market Square from a former furniture factory—continues to progress, with 500,000 sq. ft. geared to high-quality designer showrooms, plus two restaurants.

Elsewhere in High Point, a local law firm has acquired one of many landmark buildings on Main St. to convert to general office space usage. High Point Bank and Trust Co. is expanding its offices into an adjoining building downtown.

Among industrial projects completed or under way in High Point are an expansion by Myrtle Desk Co.; an addition by Schoonbeck division of Henredon to its present operation; a new Archdale Mfg. Co. plant, and a new WGHP-TV office and production facility.

All this diverse activity attests to a perceived upswing in the economy.

IN MIAMI ONE TV STATION REACHES HALF THE MARKET.

IT TAKES 5 STATIONS TO REACH THE OTHER HALF.

SIMPLE MATHEMATICS.

A lot of media buyers make the mistake of thinking that Spanish television reaches minority households without much buying power.

Well if you make that mistake in the Metro-Miami market, get ready to say adios to a lot of your clients.

Because in the Miami-Metro market, the Spanish audience means big numbers in the ratings race. And even bigger numbers in terms of buying power.

Consider: The South Florida Latin buying power is estimated at $7 billion. Miami's Latin market comprises one half of Metro-Miami's population. The median Latin household income is a whopping $22,000 plus per year. Which buys a lot of Whoppers, Big Macs, Cervezas, soap and so on.

And in this market, the Latin television market audience does its shopping in Spanish, on television, on Channel 23, the TV channel Miami's Latins watch more and believe in more than any other TV channel in South Florida.

Consider: Channel 23 is now the Number One ranked television station in prime access time in the Miami-Metro area.*

Channel 23 is also the Number Two ranked station in the Miami-Metro area during fringe and prime time combined.**

And the Number One television station in attracting women aged 25 to 54.***

Which means if you're not including Channel 23 in your overall Miami media buy, you're not talking directly to a $7 billion market.

In plain English, you can't make it in Miami without speaking Spanish.

On Channel 23.

WLTV 23
LO NUESTRO
An SIN Affiliated Station

*According to 5/83 Arbitron. ADI Share. **Source: Arbitron 5/83 Mon-Fri 7:00-8:00 pm ***Source: Arbitron 5/83 Mon-Fri 6:00-10:00 pm

Also, while some businesses suffered some adverse effects of the recent recession, not a single plant closing occurred in High Point during that extended down period.

All forms of media are well represented in the Triad. Morning and afternoon dailies service each of the cities, and there are six weekly neighborhood papers. There are six tv stations and more than a dozen radio stations. Two cable companies offer services in the area.

Greenville-Spartanburg, S.C.

Population '80	569,066
Rank	72
Est. income '82	$4,740,246,000

A further diversification of its manufacturing base and a strong growth in the service section characterized the economy of the Greenville area as it entered the fourth quarter of 1983.

Known at one time solely as a textile center, this industry continues to be one of great importance to the area, with substantial investments made in plant modernizations.

The area has seen an increase in diversification into high-tech, metalworking and other industries. As an example, in mid-1983, the Ball Corp. announced its Unimark Plastics division is locating a 40,000-sq.-ft. manufacturing facility here along with its division headquarters. This is the first phase of what would eventually bring three manufacturing plants onto the same site in Greenville.

Atlanta Aviation is completing a $1 million expansion that would provide about 250 new jobs in aviation overhaul and maintenance services at the Donaldson Center Air Industrial Park, where approximately 90 companies are already situated.

King's Hawaiian Bakery, National Tool and W-L Molding Co. are also making significant construction developments in the area. Additionally, Verdae Properties has made available 1,800 prime acres for industrial/commercial development.

Keeping pace with this diverse business growth, Holiday Inn has announced plans for a $10 million facility, and Comfort Inn Executive Center has completed a $3.5 million renovation project.

More evidence of Greenville's diversity is apparent in the more than 50 corporate, regional and divisional headquarters located within the area. The latest to move a major division here was J. P. Stevens & Co., the New York-based apparel marketer, which brought its accounting center to Greenville.

Recently the Greater Greenville Chamber of Commerce, in conjunction with the City of Greenville, established a professional headquarters recruitment program. This is being used to interest other companies in establishing divisional centers here.

Major building projects in downtown locations involve two new office buildings. One Shelter Centre/Southern Bank Bldg. is a 17-story, 270,000-sq.-ft. office tower; the other is the 150,000-sq.-ft. American Federal Bldg.

In an unusual private/public venture, negotiations were recently completed to allow construction of a 10,000-seat outdoor stadium, which will become the home of the newly acquired minor league baseball franchise of the Atlanta Braves.

In Spartanburg County, known as "The Fresh Peach Capital of the World," more than 82 million lbs. of peaches annually are shipped out of the country in the height of the fruit season.

Not to be thought of strictly as an agriculture center, Spartanburg has more than 300 manufacturing plants within its area, with 55 of these companies coming from 12 foreign countries.

In 1982, eight new companies invested $29.5 million and brought in 1,210 direct new jobs to the Spartanburg area. They included National Lock Hardware, Carolina Throwing Corp., Filature St. Andre, Fruehauf and Gibbs Textiles. Not to be outdone, some 14 existing operations spent $84.2 million in expansion programs during 1982.

Spartanburg has also been designated as a Foreign Trade Zone.

The area is serviced by five daily and weekly newspapers, four radio stations and four tv stations, as well as cable services.

Jacksonville, Fla.

Population '80	722,252
Rank	59
Est. income '82	$6,371,537,000

Jacksonville is changing just fast enough to keep everybody guessing as to its true identity.

Jacksonville is a southern city more than a Florida city, suggests one magazine editor. While other parts of Florida have been settled and developed largely by transplanted northerners, Jacksonville maintains a big-business atmosphere with a conservative southern pace.

American Segments, VI

Hispanics: The top markets

Top 10 areas of dominant influence by Hispanic population, 1983

ADI		Population
1	Los Angeles	3,133,000
2	New York	2,355,000
3	Miami	790,000
4	Chicago	734,000
5	San Antonio	718,000
6	San Francisco	686,000
7	Houston	552,000
8	McAllen-Brownsville, Tex.	480,000
9	Albuquerque, N.M.	389,000
10	El Paso, Tex.	388,000

Source: Strategy Research Corp., Miami

Jacksonville is a young city, with a median population age of 29—compared with a Florida median age of 36.

Jacksonville—compared with New York or San Francisco or Miami, cities where fashion, the arts, culture and the like play a bigger role in day-to-day life styles—is considered more of a work-a-day town. Its commercial roots lie in commerce, finance, insurance and has a major U.S. Navy presence.

Still another viewpoint sees Jacksonville as a "working man's town," with a large blue collar workforce that is easily trainable.

Whatever the image, Jacksonville is changing and growing.

Building permits through September of this year were way up over 1982 to $458 million from $346 million.

Some major companies are relocating to Jacksonville or opening new operations there. These include the Bendix Corp., which is expected to employ 800 to 1,000 people by the end of 1984, and American Transtech—a subsidiary of American Telephone & Telegraph established in Jacksonville to handle all of the stock transfers required under AT&T's divestiture. That means another 1,500 jobs within the next six months.

Both Bendix Corp. and American Transtech will be located in Deerwood Center, an office park on the south side of Jacksonville. A few miles up the interstate, at South Point Park, two office buildings are nearing completion for Barnett Bank and Atlantic Bank.

In downtown Jacksonville, expansion continues as well. Prudential Life Insurance, which is consolidating more than a half-dozen regional offices into four, is establishing one of those in Jacksonville.

Jacksonville has always had the image of Florida's insurance and banking center. Twenty-six insurance companies have regional or national headquarters in Jacksonville. Three of the six largest bank holding companies in Florida have headquarters there, as well as half of the state's 10 largest mortgage banking concerns.

For the city's population of 700,000, spread over 800 square miles that roughly coincide with the boundaries of Duval County, growth has always been a factor. It was just a question of how fast.

The St. Johns River runs through the middle of Jacksonville and continues to be the focal point for downtown development. Saison & Associates of Charlotte, N.C., is constructing a 20-story, $300 million development along the St. Johns.

Also downtown, expansion of riverfront Metropolitan Park means more outdoor concerts and public events. Similarly, the Gator Bowl, home of the University of Florida football team, has been expanded to 82,000 seats.

More important, though, the expanded Gator Bowl will be the home for a new franchise in the two-year-old U.S. Football League—the Jacksonville Bulls.

But just as important to Jacksonville and Duval County is the construction of the U.S. Navy's new Kings Bay Trident submarine base at St. Marys, Ga., 35 miles north. The $10 billion project is expected to eventually employ 30,000 people over the next 10 years, and Jacksonville is the closest major city to the base.

Finally, the Atlantic waterfront near Jacksonville is experiencing growth as well. Traditionally ignored by developers and residents alike, the waterfront is now attracting resort developers, vacationers and corporate executives looking for beach investments.

The consolidated city-county of Jacksonville and Duval is served by two daily newspapers, six television stations—three uhf, three vhf—18 am and eight fm radio stations and two cable systems.

Johnson City-Kingsport-Bristol, Tenn-Va.

Population '80	433,638
Rank	95
Est. income '82	$3,092,203,000

High unemployment remains a grim fact of life in this eastern Tennessee/western Virginia market.

While the unemployment situation is somewhat brighter in the Tennessee towns of Kingsport and Johnson City proper, the jobless rates in their home counties is 11.1% and 10.2% respectively. In Bristol, the city that straddles the Tennessee/Virginia border, unemployment stood at 9.3% in the second quarter of 1983.

Kingsport, however, is enjoying the benefits of the $50 million expansion program of the AFG Industries glass plant in nearby Hawkins County and is anticipating futher benefits from an upcoming joint venture between AFG and the Chronar Co. The latter project carries a $6 million price tag. Also, the Strolee Co., based in California, has opened a new plant here to make baby strollers, employing 300.

Other major projects in the area include a new warehouse for Kingsport Foundry, a multimillion dollar distribution facility for the Blackburn News Agency, new offices for International Business Machines Corp. and a new psychiatric building for the Hospital Corp. of America.

Tennessee Eastman, the largest employer in the region, with 13,000 on its payroll, has been annexed by Kingsport and is expected to add $3 million annually to the city's tax coffers.

Kingsport, in turn, has been making substantial improvements in city services, including a $2 million water treatment plant, a $12.8 million sewage treatment plant, $5 million for water tanks and $1.3 million for a city garage. There have also been a number of street and highway projects scheduled, the chief ones being the widening of Wilcox Dr., Moreland Dr. and Eastman Rd., all main traffic arteries.

The Johnson City/Washington County area has seen little industrial and building growth of late, but there has been an upsurge of activity in the service sector. Nine shopping centers have been built in the region within the past few years, two of them in Johnson City. And East Tennessee State University continues to expand its medical center.

Recently, Johnson City voted in liquor by the drink, a move that, coupled with two sizable meeting facilities, is bringing in convention business. The facilities are the 8,000-seat Freedom Hall Civic Center Arena and the 20,000-seat East Tennessee State University Mini-Dome.

Bristol has been hurt by layoffs at Sperry Univac division of Sperry Corp. and Bristol Steel & Iron. Employment at Raytheon Co., though, is expected to rise gradually over the next few years, owing to a recent government contract for components for the Maverick missile. Construction is sluggish, but a large Wal-Mart complex is being built in Bristol, Tenn.

The Kingsport/Johnson City/Bristol area is served by eight am and six fm radio stations, three tv stations, three cable systems and five daily newspapers and two cable tv companies.

Miami-Hialeah, Fla.

Population '80	1,625,781
Rank	21
Est. income '82	$16,831,109,000

Latin America tightened its belt to meet debt payments to the U.S. this year, and virtually every sector of Miami's economy felt the pinch.

Hotel occupancy dropped from 63.3% to 55% during the first seven months of 1983, and Miami International Airport reported that 5.5% fewer passengers arrived from overseas.

Small retail shops in downtown Miami, upscale shopping malls like Omni International and even ritzy Bal Harbour shops noted the declining numbers of Latin American customers buying consumer goods to take home, according to Jorge C. Zayas, economist with the Dade County Office of Community and Economic Development.

Retail sales dropped 2.1% during the first quarter, and sales at Dade County department stores showed the smallest increase among South Florida's three-county area—a rise of 6.3% to $170.1 million during the three months ending in July.

Area economists say that it could be 1985 before the world's economy improves to the point where Miami can follow the recoveries of Fort Lauderdale and West Palm Beach. However, two new department stores speak to the underlying strength of South Florida's retail market.

A new Macy's opened this month in North Miami Beach, and Lord & Taylor announced plans to open a Dadeland store by 1986.

News on other fronts was not so encouraging. Exports from the Port of Miami dropped a staggering 27% in the first six months of this year. In response, international banks slowed their expansion in the first quarter, and New York-based European-American Bank closed its door, according to Tony Villamil, chief international economist of Southeast Bank N.A. in Miami.

Miami's international sector is in for another shock this year unless Florida legislators repeal a new corporate tax, Mr. Villamil added.

The so-called unitary tax is based on multinationals' instate share of their parent companies' worldwide, instead of nationwide, profits. By one estimate, it will cost South Florida's international banks $15 million a year.

Economists say it will hurt the area's reputation as a growing, international center. The state's business community agrees, and it has started a campaign to repeal the tax.

The migration from Miami to communities north continued in 1983, and the city's population grew at an annual rate of 1.1%.

Commercial building permits registered the sharpest drop in South Florida's three-county area, 39% to $73 million. Housing starts, however, during the second quarter leaped 320% over the same period last year, reaching one-third the peak levels of late 1981.

Unemployment, which rises as construction falls, has dropped since January and stood at 9.1% in September. The county reported 96,000 manufacturing jobs in June, compared with a peak of 100,300 in 1981 and 95,000 in 1982.

The city has the *Miami Herald* in the morning and the evening *Miami News* serving the area, along with Miami's daily Spanish newspaper, *Diaro Las Americas.* The area has three network tv affiliates, three educational stations, two specialty stations and one independent station. Twenty radio stations serve the area, 10 am and 10 fm. Miami suburbs are served by various cable systems.

Norfolk-Virginia Beach-Newport News, Va.

Population '80	1,160,311
Rank	35
Est. income '82	$9,547,295,000

The Norfolk MSA in Virginia now encompasses the cities of Norfolk, Portsmouth, Virginia Beach, Chesapeake, Newport News, Hampton, Poquoson, Williamsburg and Suffolk, along with the counties of Gloucester, James City and York.

A broad-based economy supported by government employment, maritime industry, a $700 million tourist industry, diversified manufacturing, agriculture, seafood harvesting/processing and all ancillary service industries are some of the reasons for June's low 5.3% unemployment rate.

Government activity alone generates $4.5 billion locally through the largest naval complex in the country, the National Aeronautics and Space Administration Langley Research Center.

One of the major recipients of defense dollars is Virginia's largest employer and the country's largest shipbuilding facility, Newport News Shipbuilding and Drydock Corp., which employs about 28,000 people.

Other major manufacturers in the area include General Electric Co., Ford Motor Co., Virginia Chemicals, Anheuser-Busch, Bendix Corp., Houmet Turbine Components and Northrup Corp.

More than 60 foreign companies, including Volvo, Mercedes-Benz, Moulinex and Stihl, operate manufacturing facilities in the area.

Along the waterfront areas, redevelopment and revitalization in several sections are extensive and continuous. The showpiece is Waterside, a $13.5 million festival marketplace in Norfolk developed by James Rouse, and the $19.4 million, 250,000-sq.-ft. Virginia World Trade Center. The center is the headquarters of the Virginia Port Authority and a center for international trade.

More than $133 million is being spent for other varied waterfront development projects currently in progress.

In Portsmouth, across the Elizabeth River and linked by a 19th century-style pedestrian ferry, is the newly completed, 25-story residential high-rise, Harbor Town, the tallest structure in the market.

Over the next 15 years, plans call for revamping the central business district in the style of Alexandria's Old Towne, as the core factor for attracting $103 million in private investment for residential and commercial projects.

In Virginia Beach, many multimillion dollar office park projects are in varying stages of completion. These include a $10 million, five-building, 300,000-sq.-ft. Corporate Center Office Park; the 36-acre office park surrounding the 10-story Columbus Center; several new hotels, and a $5.8 million rehabilitation of an electronic computer science school.

In June, a 300-room hotel and conference center opened at a cost of $25 million, as well as a 203-room, $6 million Holiday Inn executive center and a 110-unit $5 million Crosswinds Hotel on the oceanfront.

A new surge in retail store construction was heralded by the opening in 1981 of two regional malls, the Greenbrier Mall in Chesapeake, a $25 million, 678,000-sq.-ft. project, and the Lynnhaven Mall, a $55 million, 1.2 million-sq.-ft. complex.

The major existing mall, Military Circle in Norfolk, showed a marked retail sales increase during the 1982 season, despite competition from these two new malls, plus numerous strip centers.

A $1 million farmers market in a refurbished railroad warehouse called Bessie's Place was added to the 120 other speciality food and general merchandise shops in Waterside.

In Virginia Beach, Loehmann's Plaza, a 115,000-sq.-ft. facility, added 14 stores in the American Outlet Mall and 30 stores in the Virginia Beach Outlet Mall.

This retail activity produced $4.8 billion in taxable retail sales for the total MSA in 1982.

Future development projects call for $275 million in private and public investments in downtown Newport News, highlighted by twin office towers, a public square, twin luxury apartment towers and condos along a new waterfront esplanade.

In Virginia Beach, a $26.4 million strip beautification plan encompasses capital improvements to streets, lighting and utility lines, plus a multilevel Ocean Center with pier, shops, restaurant plazas, museum and theaters.

Many renovation projects are in gear, such as a department store transformed into a high-tech office building and a $4 million hotel in downtown Norfolk.

In 1984, Portsmouth waterfront will have a ferry terminal, open air theater and shops.

Keeping pace with other segments of industrial growth in the area is an $8 million British Chemical facility in Suffolk, as well as establishment of Norfolk Southern Corp. national headquarters in Norfolk.

To best serve and coordinate the economic development of the area, the five area chambers of commerce have recently merged into the Hampton Roads Chamber of Commerce.

There are 23 newspapers serving the Hampton Roads area, three dailies and 20 weeklies. There are 20 am and 24 fm radio stations, as well as seven tv stations, including affiliates of each major network and a public broadcasting station. Cable tv services are available in selected areas of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Virginia Beach and Williamsburg.

Orlando, Fla.

Population '80	700,055
Rank	61
Est. income '82	$7,002,091,000

"We should all get down on our knees and thank the Mouse." Some say that's the quote of the year, attributed last March to Orlando hotelier Harris Rosen.

Certainly the Mouse—more specifically, mega-attraction Walt Disney World and its new Epcot theme project—have been very good to Orlando-area hotels and motels. Very good indeed.

At a time when the breakeven rate for a hotel/motel is 65% occupancy, Epcot boosted Orlando-area occupancy rates to an over-all annual average of 88% last year—and at times exceeded 100% (including no-shows).

One result has been a hotel/motel building boom, with more than 13,000 new rooms now under construction—$500 million worth and due for occupancy by 1986—within a 25-mile radius of Orlando.

Epcot, an acronym for Experimental Prototype Community of Tomorrow, opened Oct. 1, 1982. In a year, it has had a major impact on central and south Florida tourism.

Pre-Epcot Orlando was seeing 2 million to 3 million visitors a quarter. Epcot has doubled that, which means Disney World itself expects a fiscal year total of 24 million to 25 million visitors—just about double the 1982 attendance of 12.6 million.

Not everyone is cheering the Mouse, however. Some of the other theme attractions in the Orlando area are feeling the impact of Epcot in a less spectacular way. At Sea World, admissions are below those of 1982, which was in itself a less-than-glorious year. A drop in attendance at Six Flags' Stars Hall of Fame forced management cutbacks and marketing changes, while at Circus World, admissions have been running slightly below last year's.

But projections for 1983 are optimistic: 24 million-plus visitors for Walt Disney World, 2.5 million-plus for Sea World, 700,000 to Stars Hall of Fame, 1.2 million to Cypress Gardens, 1 million to Circus World.

But it's not just Mickey Mouse who's making Orlando home. Big businesses are moving in, too, attracted by the boom growth of Orlando's economy and the still-plentiful opportunities for land and sunshine.

Orlando has gotten 70% of the new business or business relocations in Florida over the past two years. The major ones include AT&T Information Systems, with 2,800 jobs; Martin Marietta, already a major employer, expanding its electronics plant, with 3,000 new jobs; Westinghouse, with its steam turbine division and 800 new jobs, and Harcourt Brace Jovanovich book publisher, which is building its new corporate headquarters, along with 1,100 new jobs, adjacent to Sea World—which it owns.

Even the U.S. Navy is coming ashore with a large research and development facility at one of Orlando's industrial parks; it expects to employ 1,200 people by 1985.

In downtown Orlando, there is an on-going project with theme redevelopment. Church Street Station, already drawing more than a million people annually, has expanded to include the Cheyenne Saloon. Two bank buildings—Barnett Tower and the Atlantic Bank Building—have added 1.2 million sq. ft. of office space.

Another sign of expansion is the Orange County Convention/Civic Center, a shiny $51 million facility that opened in February and holds 10,596 people.

Its 325,000 sq. ft. mean more conventions and more conventioneers—371,000 last year, an expected 500,000 this year.

And while Orlando's big new airport has no direct international service, it still manages to chip away at 8% of the international air market, thanks to charter flights, air crews and package tours. Orlando remains the third most popular destination for international travelers.

Orlando is also maturing, in the eyes of its leaders. Growth is no longer a haphazard process. Countywide growth management plans are being formulated and followed. "We know ahead of time where to site new industry . . . and whether we can furnish services for it," said Roy Harris, executive vp of the Industrial Development Commission of Mid-Florida, which

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Large companies are attracted by the spaciousness of Orlando's nearby acreage. Corporations are taking large tracts of land and setting up in campus-style environments. They're moving out of cities where there is no room for expansion to areas where future growth, and land for it, is next door.

Orlando is not just dependent on tourism for survival, Mr. Harris emphasized, but added the area's economic base "is still a three-legged stool—citrus, industry and tourism."

The Orlando area is served by one newspaper—the *Orlando Sentinel Star*—three tv stations, nine fm and seven am radio stations and two cable systems.

Raleigh-Durham, N.C.

Population '80	561,222
Rank	74
Est. income '82	$8,311,420,000

If North Carolina is rightfully the "Sunbelt Superstar," then the Raleigh-Durham/Wake County area would have to be considered one of the key reasons for the state's widespread acclaim.

With the unemployment rate for the first half of 1983 running at about 4.4% (less than half the nation's average), experts have predicted continued growth for the area for many years to come.

A strong indicator of this prosperity is growth in retail trade, up 13% for the second quarter of 1983, with numerous new shops and malls opening or being expanded regularly to meet the mounting demand.

New residential construction, too, proceeded at an extremely strong pace. Some 2,093 units were started during the second quarter of the year alone, and single-family housing starts outnumbered multifamily units 3 to 1. Additionally, sales of both new and existing housing units were up by 45.4% from 1982.

The vacancy rate in completed apartments in May, 1983, was down to an extremely low 3.2%.

During 1982, the area saw the arrival of 11 companies, while expansions occurred at 14 existing companies. Much of the new business relocated in or near the Research Triangle Park section adjacent to Raleigh/Durham/Wake County. This area, now home to more than 40 major research and development and high-tech corporations, is growing steadily.

Since 1980, the area has seen about 1.8 million sq. ft. of added office and commercial development, about 90% of which is already leased. Currently, 20 major projects, representing in excess of 2 million sq. ft. of space, are either completed or under construction.

New or expanding companies include AGA Gas, which plans to construct a $15 million air separation unit and liquifier to be in operation in 1984; Ajinomoto USA, which built a $49 million plant to manufacture amino acids for the medical and nutritional fields; and Bahlsen of America/Austin Foods, which has moved its U.S. headquarters from New Jersey.

Borg-Warner opened a $3.6 million plant on 20 acres to make electrical parts for motor vehicles to control emissions. Buehler Products built a production facility in Cary, which some predict will become the company's headquarters.

Charles River Breeding Laboratories has purchased 20 acres and plans to build a $40 million, 30,000-sq.-ft. animal breeding facility in 1984; it is earmarked for private and government research laboratory work.

GTE Corp. opened a microelectronics engineering center for miniature integrated circuits in August, with the workforce to total 200 by 1985.

General Electric has constructed a major microelectronics research and development facility with the first phase representing a $55 million investment.

Some $110 million is expected to be spent over the next five years at this facility; the workforce is expected to total 1,000 by 1987.

Glaxo Inc. has relocated its new product group and plans to build a $30 million, 150,000-sq.-ft. manufacturing plant on an 80-acre site to produce pills, capsules and aerosol sprays.

ITT Corp. is establishing its North American telecommunications headquarters here. Walter Kidde division of Kidde Inc. is building a 150,000-sq.-ft. manufacturing facility on a 40-acre site and is expected to employ 250 people.

Sumitomo Electric USA is investing $20 million to $50 million in the development of a research and development complex on a 31-acre site, with operations slated to start in 1985 on fiber optics, semiconductors and computer technology.

Texas Instruments has purchased a 135-acre site for the manufacture of a variety of products. No completion date has been announced.

Watkins-Johnson Co. opened a 50,000-sq.-ft. facility for the manufacture of electronic equipment on a 50-acre site.

On the educational level, Wake Technical College has a proven track record for outstanding vocational and technical training geared specifically to the needs of the community.

Additionally, there are nine colleges and universities in the immediate area, including North Carolina State University, University of North Carolina and Duke University.

The Wake County area is served by three daily newspapers and 10 nondailies. There are three network affiliates, as well as a public broadcasting station. Alert Cable TV of North Carolina services the area.

There are 13 radio stations, including seven am stations.

Richmond-Petersburg, Va.

Population '80	761,311
Rank	57
Est. income '82	$7,160,726,000

A diverse industrial mix has helped the Richmond area maintain its stable economic base and continued low levels of unemployment (5% in the second quarter of 1983).

This stability has been helped by a fiscally conscious government and a law prohibiting deficit spending by the state.

The Richmond area boasts the honor of being a leading headquarters city in the South. Some 16 national companies whose stock is publicly traded and whose sales exceed $16 billion make Richmond their home base.

These include such industrial giants as Figgie International (formerly A-T-O Inc.), Reynolds Metals, University Leaf Tobacco, Robertshaw Controls, A.H. Robins, Ethyl Corp., Media General and CSX Corp.

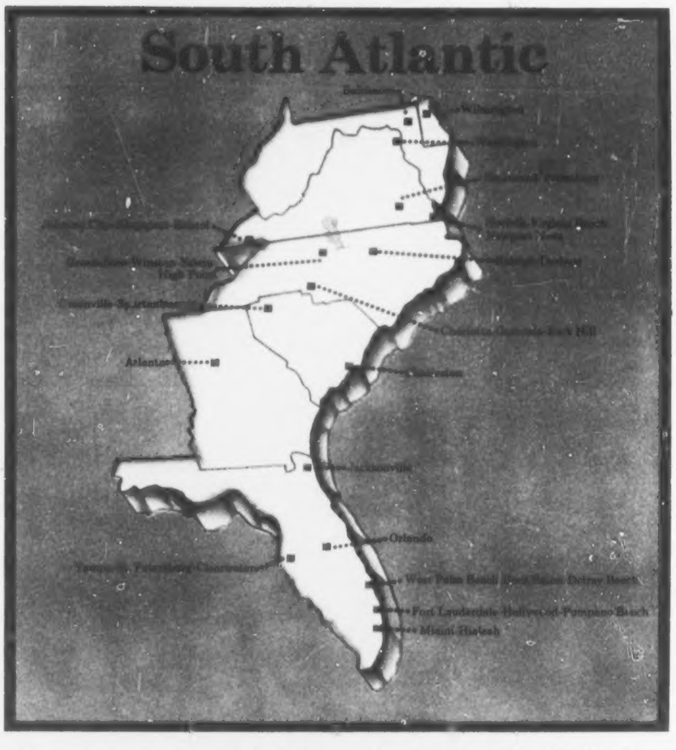
Wages and benefits are competitive with other areas of the South and offer workers a better-than-normal quality of life.

One characteristic that has made this possible is the state's strong right-to-work law and industries that have a low percentage of unionization.

What has resulted, in part, is a boom year for industrial development in 1982, with 74 companies coming into the area for the first time, expanding or relocating operations.

This has produced an estimated 1,100 new jobs directly, with an investment of about $128 million.

Some of the major new companies opening in 1982 or announcing plans to start building and rehabbing facilities included Allen Industries, which reopened a 203,000-sq.-ft. plant for the manufacture of supplies for car marketers.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Atlanta
Charleston
Jacksonville
Orlando
Tampa-St. Petersburg-Clearwater
West Palm Beach-Boca Raton-Delray Beach
Fort Lauderdale-Hollywood-Pompano Beach
Miami-Hialeah

Also, Fiber Lam constructed a 40,000-sq.-ft. manufacturing plant on 4.5 acres to produce laminated and extrusion papers at a $3 million investment.

Raschig Corp. purchased a 120,000-sq.-ft. warehouse on 7 acres, invested $1.75 million and hired 50 new employes to handle asphalt emulsions and emulsifiers.

William Byrd Press underwent $2 million in expansion, while ICI America renovated part of a plastic film plant at a cost of $3.8 million. ICI also began construction of a 105,000-sq.-ft. manufacturing plant for Melinex polyester films, scheduled for completion in 1984.

Dean Foods built a 54,000-sq.-ft. manufacturing plant for producing margarine, while Greyhound spend $5 million on a bus terminal and maintenance facility.

For the first half of 1983, some 62 new expansion/relocation projects were undertaken in the Richmond area, resulting in investments of more than $40 million and providing direct employment to some 500 workers.

International Security Vault Systems built a 15,000-sq.-ft. security vault for computer tapes, while Chesapeake Containers spent $3 million developing a 60,000-sq.-ft. office/warehouse complex to manufacture corrugated containers.

Coler Storage Co. constructed two warehouses for tobacco storage. These total about one million square feet at a cost of $20 million.

Meanwhile, Project 1, the master plan for rehabilitation of downtown Richmond, is progressing on schedule.

Media are well-represented in the area. These include three network-affiliated tv stations, as well as two public broadcasting stations and one independent station. In radio, the area has 25 stations, 15 am and 10 fm. Chesterfield Cable Communications has cabled Chesterfield County, while Continental Cablevision has wired the city of Richmond, and Goochland and Henrico Counties. One morning and one evening daily newspaper and four weekly regional papers cover the market.

Tampa-St. Petersburg-Clearwater, Fla.

Population '80	1,613,603
Rank	22
Est. income '82	$15,566,368,000

Play ball!

That's the cry heard throughout the land—throughout the Tampa-St. Petersburg-Clearwater marketland—as professional sports and municipal cooperation mark major changes for the west coast of Florida.

The biggest of the big sports events, of course, is Super Bowl XVIII, which is scheduled to bring Tampa-St. Petersburg-Clearwater at least 100,000 visitors vying for not-enough hotel/motel rooms come that Jan. 22 weekend.

Even though the pro teams are yet to be determined, the marketing teams have been reluctantly cooperating in preparing the Tampa Bay area for the biggest event since the 1929 hurricane that changed much of the waterfront landscape.

And even as one set of task forces combine energies to promote the Super Bowl, another set is fighting to land the area's first-ever Major League baseball team, with Tampa and St. Petersburg each promising major baseball stadium construction.

In a twin-city market that traditionally has had industrial Tampa (Hillsborough County) competing with the tourist-and-retirement market of St. Petersburg and Clearwater (Pinellas County), the impact of Super Bowl XVIII and national as well as statewide economic trends are forcing cooperation, despite a spirit of latent rivalry.

Tampa, however, is momentarily back in the lead with Harbour Island, a massive, $1 billion waterfront development scheduled to take a minimum of 12 years to complete, all with private funds. Harbour Island—being constructed on a 177-acre island immediately south of downtown Tampa—would eventually become home for 14,000 residents and a place of business for another 6,000 working in offices, shops and a hotel.

Beneficial Corp., the finance and insurance company that owns the island, has even hired former President Gerald Ford as a consultant on the project. The first phase is scheduled for completion by 1985, including the first 550 of a projected 4,650 condominium units. Eventually, there would be a 300-room hotel and a 196,000-sq.-ft., nine-story office building.

Harbour Island promises to further change the Tampa skyline. Since 1980, four major office complexes have sprung up in Tampa: The 38-story Tampa City Center and the 300-room Hyatt Regency Hotel, a combined $93 million project; the 20-story, $20 million Plaza Office Tower; the 20-story, $20 million 1 Mack Center, and the 11-story, $20 million Teco Plaza.

In the West Shore area of Tampa, more than $200-million in new construction—including six office buildings and three hotels—are in various stages of construction.

There are still some rough spots. The Port of Tampa is going through a transition, due mostly to the depressed phosphate industry. But two cruise lines are beginning to originate some package tours out of Tampa.

On the other side of Tampa Bay, St. Petersburg and Clearwater share an increasingly younger population and a growing high-tech industry. Pinellas—the smallest county geographically in Florida—is the most densely populated.

The midcounty St. Petersburg-Clearwater International Airport is attracting new carriers offering daily passenger flights, and more than 2 million sq. ft. of high-tech industry is growing up around the airport.

Many of the small industries that fed the county's major electronics employers—ECI, General Electric, Honeywell—are moving out of their garages and into their small shops, contributing to the airport-area expansion.

Despite statewide declines, foreign tourism in Pinellas County helped boost the over-all total visitors up 10%, to more than 3.5 million tourists.

Pinellas also shares in the growing financial and medical fields that are finding the Tampa Bay area attractive. The Showa University Research Center, the world's first Japanese-sponsored cancer research institute outside Japan, is in St. Petersburg. Critikon, an acute care research facility, has been established in Tampa and employs more than 600 people. The equally new SmithKline Laboratories in Tampa, employing more than 300 employees, is the largest clinical lab in the Southeast.

The Tampa Bay area is also becoming one of the state's leading financial service centers for major Florida holding companies, with NCNB Corp., Sun Banks, Barnett Banks, Atlantic and Florida National all expanding in this part of Florida.

In the meantime, despite a reputation as a haven for old people, St. Petersburg and all of Pinellas County are getting younger. The median age in 1980 was down from a decade before by 2.3 years—to 45.8 years.

And people are plainly doing something besides retiring in Pinellas County. Total employment in the county rose by 43% from 1970 to 1980, while nationally the increase was 23%. Similarly, high-tech employment represents 37% of all manufacturing employes in Pinellas, compared with 13% nationwide.

In the last three years, Pinellas has created twice as many manufacturing jobs as Hillsborough. Pinellas has also led the state in new plants and major expansions for the past seven years.

More businesses are choosing to relocate in Pinellas County as well. Indeed, the attraction the Tampa Bay area has for tourists and executives alike can be measured in many ways. "Most people are here because they want to be here, not because this is where the cradle was," suggested Bill Matson, business editor of the *Clearwater Sun*. In Pinellas County, he pointed to the 26 miles of beaches along the Gulf of Mexico, and in the area in general to the lack of "smokestack industries [that] over the years have been deliberately discouraged."

For advertising executive Dickey Roeder of The Marketing Centre, the measure of living on the West Coast of Florida can be done with less dramatic statistics. After relocating from California last year, she now sees this area as a place where "the streets are clean, the traffic minimal," and while the area still lacks the big-name stores such as Saks Fifth Avenue and Neiman-Marcus, "shrimp is $17 a pound in Los Angeles and $5 a pound here."

The Tampa-St. Petersburg-Clearwater market is covered by four daily newspapers, nine tv stations—four uhf and five vhf—23 am and 16 fm radio stations and seven cable systems.

Washington, D.C.-Md.-Va.

Population '80	3,250,822
Rank	6
Est. income '82	$44,889,437,000

Washington is often described as the nation's largest "company town," and when Ronald Reagan marched into office three years ago, many thought his budget ax would take aim at the payroll of the city's largest employer—the federal government.

But the big shakeout in federal employment never occurred, and government employment in the Washington area has shrunk only about 2% during President Reagan's first three years in office.

In addition, a decade-long shift toward private-sector employment has taken hold and is adding to the stable employment base provided by the federal and local governments.

The Greater Washington Board of Trade, the city's leading business group, reports that 1983 marked the continuation of a 10-year trend that has turned around the base of the local economy. A decade ago, the public sector comprised two-thirds of the local economy; today two-thirds is controlled by private enterprise.

Even with the transition, the city has maintained its reputation as a "recession-proof" economy. The area's unemployment rate is still about half the national average, and personal income is the nation's sixth highest.

One sign of the stable economic times consists of the massive real estate ventures in the city, many of which have come to fruition during the past year. The stretch of land between the Capitol and the White House, particularly, has emerged as the hotspot for downtown development, replacing the area west of Connecticut Ave. as the center of real estate action.

More than 2 million sq. ft. of new office space and at least 1,400 new hotel rooms are either under construction, completed or have been proposed along the President's Inaugural parade route on Pennsylvania Avenue. The development of this 12-block strech is masterminded by the Pennsylvania Ave. Development Corp., a federally funded enterprise created to enhance business prospects along the capital's famous ceremonial boulevard.

Among the major projects along Pennsylvania Ave. is the renovated Old Post Office Pavilion, an inner-city shopping mall that houses 50 new retail stores, five restaurants and 60,000 sq. ft. of commercial office space. The $40 million project, which opened its doors in September, is now the largest shopping mall in the downtown business district.

Despite the success of the Pennsylvania Ave. project, some argue it will only add to the office space glut currently plaguing the downtown area. Already, the city's Builders, Owners and Managers Assn. reports that 16% of downtown office space remains idle, with the surplus expected to intensify when about one million more sq. ft. of space on 14th St. NW becomes available within the year.

Building cranes still dot the Washington skyline, as office building construction continues under the assumption that demand for space is on the rebound. PADC economic projections estimate the excess office space should be soaked up within the next two to three years.

Another project expected to fuel the downtown revitalization effort is the new D.C. Convention Center, which opened in January. Although not successful in roping the 1984 Democratic National Convention, the convention center and related enterprises are expected to add 5,000 new jobs to the local economy.

Some signs of development around the convention center can already be seen. In March, Henley Park Hotels opened a luxury facility a block away from the center, and the city's leading department store, Woodward & Lothrop, is discussing the construction of a retail and office building complex nearby.

The city's restaurant business is still among the healthiest in the country, but it witnessed a 20% decline in growth during 1983. The falloff in new restaurant openings was attributed mostly to the saturation of the market, which has the third highest per capita concentration of restaurants in the country.

Trade and professional organizations, which employ an estimated 75,000 to 80,000 local workers, were possibly the hardest hit by the recent recession. Budget cuts led to some layoffs among D.C.-based organizations, but the Greater Washington Society of Association Directors projects that some groups are now ready to rehire some portion of the idle workforce.

Tourism, the city's second largest industry, had a lackluster performance in the past year, and city officials are expecting only a 1.5% to 2% increase for the year. The number of visitors to the area had seen a slight dip in 1980 and 1981, but the industry began to rebound this spring with a modest increase every month since March.

For those who are in Washington to stay, housing costs have leveled off somewhat after the steady rise over the past decade. The average pricetag for a home, however, is still $117,000, making Washington's housing costs among the highest in the nation.

Subway expansion into the surburbs and improvements in the D.C. public school system have to a great degree stabilized movement in the area's housing market, and the Washington Board of Realtors now reports that Ward Three in upper northwest Washington has replaced Capitol Hill as the hottest real estate area in the city for young couples and families.

Despite a nationwide drop in the number of college-age people, the Washington Consortium of Universities reports steady enrollment figures this fall. Although not known as a college town, Washington's nine major colleges and universities contribute $1.2 billion to the local economy and employ 6.1% of the D.C. workers.

The Super Bowl champion Washington Redskins captured the bulk of the city's sporting interests in the last year, and the team continued its streak as an economic powerhouse as well, by selling out 130 consecutive home games. The demand for seats at RFK Stadium has kept attendance restricted to season-ticket holders, and there is a 12,000-person waiting list for the season passes.

Information-hungry Washingtonians also have several media outlets. The greater D.C. area has 13 tv stations and 18 am and 21 fm radio operations.

And the city's two morning newspapers publish on a slightly different production schedule. The Washington Post publishes seven days a week, while the *Washington Times* is printed Monday through Friday.

West Palm Beach-Boca Raton-Delray Beach, Fla.

Population '80	576,863
Rank	71
Est. income '82	$7,400,890,000

In the recent recession, the West Palm Beach-Boca Raton area had the good fortune to be located in a county—Palm Beach—that has the highest per capita income and the strongest retail sector in the state.

That is why Patrick Danan & Associates chose Boca Raton over Tampa, Miami and Orlando for the first of four Florida malls devoted to gourmet food. The Fort Lauderdale company claims Boca Raton is an ideal location for a $4 million mall catering to gourmet tastes and budgets. Boca Raton is a family-oriented community nestled in one of Florida's fastest growing areas, and it has a good reputation among European and Canadian tourists, the Danan company said.

Commerce officals claim that Boca Raton's sturdy base of high-tech industry helped it to coast through the recent recession. Retail sales rose 7.9% during the first quarter of 1983. In the three months ending last July, department store sales jumped 15.4% over the same period a year ago to $65.6 million.

"We are very strong on what I consider advanced technology and electronics manufacturing and there is an increasing interest in corporate headquarters and offices," explained Michael Frey of the county's development board. "Executive families are moving in, especially into the Boca Raton and Boyton Beach areas. They are younger and affluent. They reflect the companies moving in."

Patrick Danan's international food mall is set to open in mid-December, and an Ohio-based developer is building a 1 million-sq.-ft. mall in Boyton Beach, employing 3,000 people.

Projections say that Palm Beach County's population will grow 27% in the next 10 years, which would make it the third fastest-growing area in the state, according to the "Kiplinger Newsletter." Last year the population grew 3.8%, twice the rate of neighboring areas.

Mr. Frey said population growth, like growth in the retail, construction and service sectors, is tied to the county's expanding industrial base. Consider some recent developments:

- International Business Machines Corp., which makes its personal computers in Boca Raton, added in excess of 1,000 employes and announced recently that by 1985 it will have 9,500 employes, surpassing Pratt & Whitney as the county's biggest employer.
- Motorola Corp. moved its paging division and 1,000 employes from Fort Lauderdale to Boyton Beach in August.
- Castle & Cooke opened a fresh-fruit distribution operation.
- Rodime Inc. of Scotland began building a computer parts operation in

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Boca Raton.

- Sensormatic Corp. left its manufacturing division in the Fort Lauderdale area and moved its corporate headquarters to Boca Raton.

In all, Palm Beach County reported 29,400 manufacturing jobs in June, and the housing industry reflected growth in that sector. Housing starts averaged 1,684 per month during the second quarter, the best showing of South Florida's three-county area.

On the other hand, commercial building permits, after an extended rise, dipped 4% to $28 million. However, analysts say the drop stems from overbuilding, predicting that sector will resume its expansion after excess commercial space is absorbed.

Business travelers propped up a drop in tourist traffic, and domestic arrivals at the Palm Beach airport numbered 133,502 in May of this year, compared with 87,089 in May, 1981, when tourism peaked in South Florida. As a result, hotel occupancy slipped only three percentage points to 70.3% in the first seven months of 1983, the best showing in South Florida.

Media serving the area include the evening *Boca Raton News* and the morning *Palm Beach Daily News*. Serving West Palm Beach are the morning *Post* and the *Evening Times*. The area has two network tv affiliates, one independent station and one educational station, along with 13 radio stations, seven fm and six am. It also receives cable programing.

Wilmington, Del. -N.J.-Md.

Population '80	523,221
Rank	81
Est. income '82	$5,309,793,000

The buzzword around Delaware these days seems to be "pro-business." And the Wilmington area looks to be one of the main beneficiaries.

Delaware's 1981 Financial Center Development Act, the creative baby of Nathan Hayward III, director of the state's Development Office, has been a key factor in luring new business to the Diamond State. The two-year-old law permits out-of-state banks to operate in Delaware, throwing in tax incentives and throwing out the ceiling on interest rates as bait.

By October, 13 new banks—including Citibank, Chase Manhattan, Morgan and Chemical Bank—had opened subsidiaries.

More are on the way, establishing Wilmington—already one of the nation's largest chemical, petrochemical and auto importing centers—as a leading financial center.

Wilmington is also a top corporate law center, with 52% of *Fortune* 500 companies and a third of those listed on the New York Stock Exchange incorporated in Delaware.

To many, of course, Wilmington means E.I. du Pont de Nemours & Co., the nation's largest chemical company, with 22,000 employes. That also makes Du Pont this city's largest employer.

But Du Pont is not the only local veteran that has made a commitment to the city's future. Hercules Corp.—Du Pont, Hercules and ICI Americas are the state's three biggest chemical companies—laid a major long-term stake in the city's fabric about two years ago when it completed its new 13-story granite and glass headquarters downtown.

Wilmington Trust Co. also built its new 14-story headquarters at the north end of the city's Market Street Mall, and this and an 11-story structure on the old Odd Fellows site are considered keys in the renaissance of commercial construction in this area.

All of these buildings were in the vanguard of a construction boom that has pushed at least a half-dozen new office buildings onto the Wilmington cityscape in the last two years.

At an average $15.50 a sq. ft., prime office space in urban Wilmington costs approximately 11% less than it would in Philadelphia and Baltimore, 65% lower than in New York, boosters hasten to add.

State and local leaders say the availability of several major transportation systems near Wilmington and an "excellent" vocational education network that provides a steady supply of skilled labor (Delaware's unemployment rate is running about 3% below the national average) have helped foster a healthy business climate.

So has an unusually high degree of bipartisan cooperation between the city government in Wilmington and the state government in Dover in putting together financial packages and other incentives attractive to business.

Rated highly important is the state's very stable fiscal situation, a position stemming from a constitutional amendment that permits expenditures to total only 98% of anticipated revenue. Economic development has been a popular target for these "extra" funds.

Under Gov. Pierre du Pont, the Delaware constitution has also been amended so that changes in any state tax laws require a "super majority"—three-fifths of the legislature—for enactment, which, Mr. Hayward says, "puts the squeeze on government to keep taxes down."

There are those who argue that the state's graduated income tax is unreasonably high with its 13.5% ceiling rate. Even that, however, was touched by Delaware's pro-business attitude three years ago, when it was lowered from nearly 20% as part of a successful effort to keep Hercules Corp.'s expansion plan in the area.

On the retail side, Delaware has no state sales tax, which attracts a sizable group of out-of-state shoppers, bolstering what officials describe as a "very healthy" commercial scene. The Christiana and Concord malls are major suburban Wilmington shopping centers. Another shopping complex, the former Merchandise Mart on Old Governor Printz Blvd., has undergone recent renovations to emerge as Merchants Square, a discount center.

Local improvements go beyond profit-making ventures.

In town, the not-for-profit Wilmington Waterways group continues its efforts to upgrade the city's waterfront, and efforts are also under way to revitalize the local Amtrak station.

The profile of downtown Wilmington is also affected by the continuing urban homesteading program pioneered here in 1973 before spreading to other large American cities. The result: Major pockets of residential redevelopment with a noticeable increase in professional newcomers.

Tourism officials say the state and Wilmington area have good-and-growing potential. It is estimated that visitors to Wilmington and surrounding New Castle County spend a yearly $2 million-plus trekking through the collection of museums, gardens and estates—including Winterthur, where Henry Francis du Pont put together what is generally considered the top exhibit of American decorative arts.

Officials hope the new business conference center at the downtown Hotel du Pont will attract convention goers. The Hilton, on nearby Interstate Hwy. 95, completed a $3 million renovation project of its own last year, and the gleam is still on the three-year-old Radisson-Wilmington hotel.

The Wilmington market is served by five daily newspapers (including two from Philadelphia), four commercial tv stations (all from Philadelphia), one subscription tv station, several cable tie-ins and six radio stations (in addition to several from Philadelphia).

East South Central

Birmingham, Ala.

Population '80	883,946
Rank	50
Est. income '82	$7,231,296,000

A listing of 81 new and expanding businesses in the Birmingham area—Blount, Jefferson, St. Clair, Shelby and Walker counties—showed these totals for 1983: $200 million in capital investment and about 2,000 jobs created.

Still, Birmingham limps along—October's unemployment rate stood at 11.6%.

Among the significant company closings and layoffs from 1981 to 1983 were those at U.S. Steel Fairfield Works (9,000), Pullman Standard (3,000) and Loveman's of Alabama (700) and at Jim Walters Resources, with 270 idled. Other closings and cutbacks took jobs from more than 10,000.

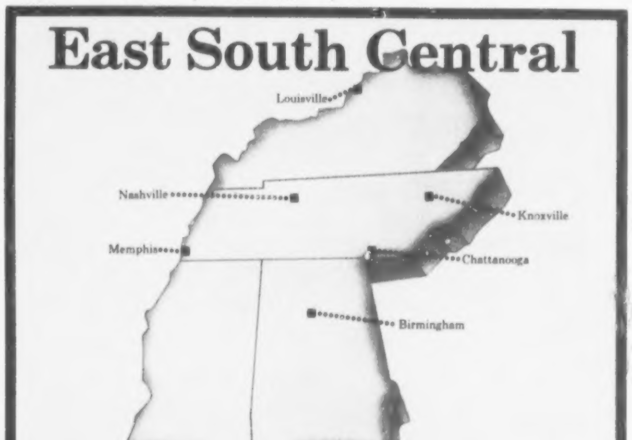
Despite all this, Birmingham has an impressive slate of construction in progress or announced. A survey of these projects as of July this year revealed that the University of Alabama in Birmingham (UAB) alone had committed $78.3 million to current and future construction; the city of Birmingham, $626.1 million (including the UAB total), and the greater Birmingham area $2.2 billion (including the totals from Birmingham proper).

Some of the significant new and expanding businesses and their announced investments include the expansion of the Alabama School of Fine Arts, with an investment of $15 million; the upgrading of the Bama Food Products facility ($2 million); the new Baptist Medical Center 524-bed hospital ($6.8 million); a new Keystone Food Co. plant ($5 million); an expanded Southern Co. Services ($115 million), and an International Forest Seed facility ($5 million).

There continues to be a good deal of construction activity in office buildings, multifamily residences and healthcare units.

But retail, warehouse and distribution projects have visibly dwindled during the past year.

The Birmingham MSA is served by 16 am and eight fm radio stations, five tv stations, seven cable tv companies and two weekly and four daily newspapers.



Chattanooga, Tenn.-Ga.

Population '80	426,540
Rank	97
Est. income '82	$3,334,089,000

In spite of some economic reverses, Chattanooga is in a generally expansive mood.

Chattanooga's sewage treatment plant has undergone $63 million in improvements; the Erlanger Medical Center witnessed a $77 million expansion, and the Provident Life & Accident Insurance Co. built a $20 million addition.

The county is developing two industrial parks, and in adjacent Dalton, Ga., the Roper Co., a marketer of stoves, has announced it is enlarging its operations.

Road and bridge construction in and around Chattanooga also is up. State Hwy. 58 is being broadened to four lanes; the C.B. Robinson Bridge across the Tennessee River was completed in 1981; a replacement for the downtown Walnut Street Bridge (which had been closed since 1979) is now under construction.

The Thrasher Bridge over one of the Tennessee Valley Authority dams has been widened. Currently, the county is building a river port near the center of Chattanooga.

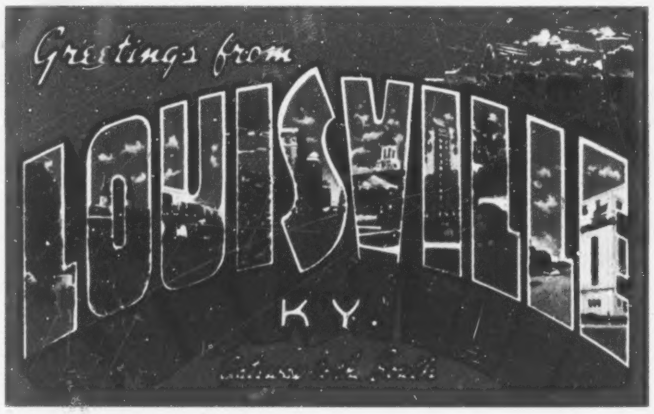
New construction includes a $45 million hotel and trade center that will boast 350 rooms and large exhibition spaces; a 1 million-sq.-ft. office building for the TVA; the $13 million Tallan Properties Bldg., and the $6 million Chattanooga Choo Choo Convention Center.

In addition, early this year, Piedmont Airlines began flights into the Chattanooga area. On the down side, there have been layoffs at Combustion Engineering, a manufacturer of nuclear boilers, E.I. du Pont de Nemours & Co., and the Rockwell International plant, which was closed altogether because of outdated equipment.

Plans for a 28-story office building had to be scuttled because of the failure of the Knoxville-based United American Bank.

The unemployment rate for the Chattanooga area, meanwhile, stands at 9.2%.

The area is served by one weekly and two daily newspapers, five tv stations, nine am and 10 fm radio stations and a cable service.



Knoxville, Tenn.

Population '80	565,970
Rank	73
Est. income '82	$4,759,381,000

The 1982 World's Fair gave the Knoxville economy a shot in the arm, but the event was far from being an unalloyed blessing.

The cost of financing it appears to have been a significant cause in the collapse of the banking empire of brothers Jake Butcher and C. H. Butcher Jr. Moreover, it never brought in the vast amounts of trickle-down tourist money its proponents had predicted.

What the fair did do, however, was bring world attention to this small city at the edge of the Great Smoky Mountains, clear a site within the city that still has great developmental promise and spark the construction of at least three major hotels.

The Knoxville bank failures, which surfaced earlier this year, counted among its casualties the United American Bank, the C&C Bank and the Southern Industrial Banking Corp.

Knoxville also suffered from the shutdown of the Knox Mfg. Co., a closing that cost 150 jobs. The textile plant, however, has now been taken over by Londontown Corp., marketers of London Fog apparel.

Much attention is currently being focused on the redevelopment of the World's Fair site. The Knoxville city council has approved plans for a shopping area there and is discussing a high-income housing development proposal, submitted by Fairfield Communities, that calls for the building of condominiums. Other on-site facilities continue to operate—either as they did during the fair or under new identities. Among these are the renovated L&N Railroad Station and the Candy Factory, both restaurants.

Recent downtown construction includes the $4.2 million renovation of the old City Hall for office use by the Tennessee Valley Authority and the $10 million Summit Towers building.

Upcoming projects are the $30 million Riverview Tower, scheduled to start by the spring or summer of 1984, and the East Town Mall, a $50 million development of 120 stores, slated for completion next July. Also near the final stage of development is the $1 million Krutch Park in the middle of Knoxville. The new fair-related hotels are the Holiday Inn (on the site), the Hilton and the Quality Inn.

Unemployment is below the state average in this region. It is at 9.1% for the Knox County and city area.

Knoxville is served by one cable company, nine am and eight fm radio stations, four tv stations and two daily newspapers.

Little Rock-North Little Rock, Ark.

Population '80	474,484
Rank	89
Est. income '82	$4,120,768,000

Little Rock-North Little Rock is beginning to claw its way out of what one resident who monitors housing construction calls a "depressing, disgusting year [1982]."

That year, while not recognized in such depressing terms in all sectors, is being put to rest by an "upsurge" in home construction permits and major commercial building activity, a low unemployment rate and renewed interest by businesses out of state to relocate in Little Rock. (Popular opinion says the city owes its name—La Petite Roche—to French explorer Bernard de la Harpe, who found a "little rock" outcrop in the Arkansas River when looking for a big green one, presumed to be a giant emerald that the Quapaw Indians told him about.)

Elsewhere, things were not as hopeful. Some 1,200 employed at the Reynolds Aluminum plant in nearby Benton County lost their jobs when the plant shut down to shift operations to Australia. And Continental Airlines dropped its service at Little Rock Regional Airport when it went bankrupt, although the six remaining airlines have picked up the slack.

Meanwhile, the Little Rock Air Center, a privately funded general aviation terminal, ramp and service facility for executive travel, has been completed at the airport. The new facility should be attractive to new business development in the area like the as-yet-unnamed addition of a major distribution center, and the move to Little Rock by a national manufacturer of electronic components that the city is keeping under wraps.

The distribution center and national components manufacturer will each employ 200 and whittle away at the unemployment rate, which averaged 7.8% from January, 1981, to May, 1983, a period in which the national unemployment rate was 9.2%. The current rate in Little Rock is 7.4%.

Nonresidential construction continued to gain momentum from the base set last year, which was 71.3% higher in value than total permits in 1981. Much of that activity is taking place downtown to take advantage of Metrocentre Improvement Funds, which offer developers considerable tax breaks in addition to capital.

Funds from Metrocentre bonds are helping in the construction of a $40 million, 35-story office complex. Some 65% of the space is already committed to seven Arkansas corporations. Completion is set for 1986.

The bond monies are contributing to financing of the $6 million restoration and conversion of the 11-story Lafayette Hotel into office space. Built in 1925 and closed in 1973, the structure would provide 100,000 sq. ft. of office space.

The final stage of a downtown development plan, which included the $50 million Little Rock Excelsior Hotel/Statehouse Convention Center complex, will be a 25-story, 247,000-sq.-ft. office building. Cost of the project, to be completed by mid-1985, could exceed $20 million.

Out of the downtown quarter, construction is under way on the 22-acre, $35 million Crystal Bay Marina development on the Arkansas River. It will include a boat marina, hotel, restaurant, retail and office space and residential quarter. Completion is set for late 1986.

The conversion of sections of Main St. and Capitol Ave. into a pedestrian mall downtown about three years ago has not stimulated retail sales in the area, primarily because of the dearth of parking, say local officials. This lack of business has influenced a number of store closures.

Sterling Stores, an institution in Little Rock for more than 60 years, ran into financial difficulties in 1983, selling out in May to Duckwall Alco Stores of Abilene, Kan. Sterling operated 47 Magic Mart Discount Stores (26 in Arkansas) and the Sterling Department Store in downtown Little Rock. Duckwall Alco converted the Magic Mart stores across the country into Alco discount stores in October and continues to run the downtown Sterling store under the same name.

State sales tax revenues, a measure of retail sales activity, increased about 6% in fiscal year 1983, ended June 30, which meant retail sales did not keep pace with inflation for the period. But an increase of 10.1% in tax collections for the first quarter of the new fiscal year indicates retail sales activity is back on a healthy schedule. Such statewide tax collections reflect the Little Rock activity because half of the state's population resides in the MSA.

Arkansas legislators, seeking extra sources of revenue, have turned their attention to advertising, to the chagrin of the Arkansas Advertising Federation, Arkansas Retail Merchants Assn. and the Arkansas Press Assn. These groups are lobbying to kill in committee a bill that would tax ad space in newspapers. Arkansas already is one of the few states that taxes preprint supplements as printed matter.

In media developments, KATV-TV, the city's ABC affiliate, changed hands this year when Washington-based Allbritton Communications purchased it from Leake TV Inc. of Muskogee, Okla. In the race for local news ratings, it runs neck and neck with KARK-TV, the NBC affiliate that Gannett Co. sold to local investors this year. An independent station, KTHV-TV started operation this summer and offers rates comparable to the leading radio stations. Storer Communications holds the cable franchise and offers 36 channels.

Competition is strong between the two local morning papers, the *Arkansas Gazette* and *Arkansas Democrat*. The *Gazette* holds a commanding lead in daily circulation and a narrow margin for the Sunday product.

Louisville, Ky.-Ind.

Population '80	1,808,621
Rank	19
Est. income '82	$8,646,201,000

Until recently, Louisville was reeling from layoffs and plant closings—but now its economy is bouncing back. Factories are recalling workers at a heartening rate, and the Derby city is in the midst of a commercial and residential building boom.

About 24% of Louisville's work force is involved in the manufacture of durable goods, a sector that has lately suffered particularly hard times. During this down period, International Harvester dropped its Louisville manufacturing division, thereby reducing its number of employes from 2,000 to 600. General Electric Co. and Ford Motor Co. have both had significant layoffs. Brown & Williamson Tobacco Corp., a subsidiary of Batus Inc., closed its tobacco plant last July and relocated to Macon, Ga. The move cost Louisville 2,100 jobs. A drop in freight traffic on the Ohio River contributed to Jeff Boats, a barge manufacturer, laying off half its workers. The Ralston Purina Co. plant was closed entirely after leaking hexane led to a huge sewer explosion.

Not all was gloomy, however. Brown & Williamson, despite its partial defection, kept its home office in Louisville and purchased an office tower in the new downtown Galleria complex. Jeff Boats, after diversifying its output, has recalled 175 employes. General Electric—although it has made a $30 million investment in industrial robots for its home appliance division—will take back 1,400 employes in January. Employment is going up at the two Ford plants in town and at the new multi-million-dollar Philip Morris storage and production facility. The ravages of the sewer explosion have been remedied, and Ralston Purina is set to reopen its plant.

Amid all of this, unemployment dropped from a high of 13.6% in December, 1981, to 10.1% in July, 1983.

The showpiece of Louisville's building renaissance is the $130 million Galleria project that opened last September. It includes two large office towers—the Brown & Williamson and the Miedinger—a department store and 60 smaller shops. Connected to the complex via a covered walkway is the Hyatt Regency Hotel. Similar walkways are to be built to the historic and recently renovated Seelbach Hotel (a $24 million effort in its own right) and to Stewart's Department Store.

The Brown Hotel, another Louisville landmark, is scheduled to be renovated during the first phase of the estimated $200 million Broadway project. The new Brown will include apartments and condominiums.

Hospital and medical research construction is also up sharply. Humana Hospital, a teaching facility that cost $64 million, opened in April, and Humana's headquarters building—slated to open in 1985—is being built at a price of $45 million. The Methodist Hospital has scheduled a $25 million expansion. And the recently opened J. Graham Brown Cancer Research Center cost $10 million.

Residential construction is up 64% from last year, according to the local chamber of commerce.

An "enterprise zone" has been set up to lure businesses into the most blighted part of downtown Louisville. To be eligible for the generous tax breaks under the plan, companies must agree to hire at least 25% of their employes from the zone. In return, they pay no taxes to the city, no state income tax on property and a smaller-than-normal inventory tax. Additionally, such companies qualify for low-interest loans and for reduced water and sewer fees. A lumber company has established an operation in the zone. The plan started in June.

Louisville is served by 11 am and 13 fm radio stations, four commercial tv stations, three cable tv services and two daily and three weekly papers.

Memphis, Tenn.-Ark.-Mo.

Population '80	913,472
Rank	47
Est. income '82	$7,871,532,000

Consider this profile of Memphis: It is a major Mississippi River port, a regional airline hub, a traditional railroad terminus and a service point for trucking lines that take goods to the rest of the country.

It is not surprising, then, to find out that Memphis is a major distribution center for the U.S.; in fact, it ranks sixth in the nation in this category.

It is also not surprising that, partly because of these factors, Federal Express chose Memphis to be its headquarters.

In April, 1982, the U.S. Department of Commerce designated areas within the city as foreign trade zones, with industries in these zones exempt from paying customs duties on imported materials until the finished products are sold in the domestic market.

One zone is on President's Island at the Port of Memphis; another is at Memphis International Airport.

According to reports published in September, new plants and expansions to that month of 1983 total 124. They generated 3,100 new jobs directly, resulted in investments of $166.4 million and used 4.4 million sq. ft. of industrial, office and warehouse space.

This increase in business kept the unemployment rate at about 9.5%,

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while increasing retail sales figures to about 10.2% above the 1981 rate.

Residential building permits in the Memphis MSA continued to show signs of strength, posting a 17.5% increase through July.

Elsewhere, Memphis is fast gaining stature as a major national and regional medical center, especially with Danny Thomas' favorite, St. Jude's Children Hospital, a short distance from the main downtown area.

Also, the Regional Medical Center in Memphis is completing a $50 million, 40,000-sq.-ft. additional facility nearby.

Other businesses either building new facilities or expanding existing ones in Memphis this year include Malone & Hyde, with a new $5.7 million dry goods warehouse; Memphis Packing Co., adding 300 new employes to its meat packing operations; General Electric Co., expanding its lighting plant with addition of 115 new employes; Raleigh Springs Market Piace, a new shopping mall developed by Austin, Peay & Yale at a cost of $6.5 million and expected to occupy 94,000 sq. ft.

The Beale Street Area Project continues apace with the world-famous Peabody Hotel and its equally renowned live ducks. Also anchoring the downtown area with the Peabody is the refurbished Ramada Inn.

The nearby Mid-America Mall project, billed as the longest pedestrian mall in North America, was initially completed in 1976 and features a mile of uninterrupted shops, boutiques and restaurants with benches, plants and fountains replacing the former roadway down its center.

The grand opening of the first major phase of the Beale Street reclaimation area is scheduled for the spring, when a variety of restaurants, night clubs and specialty shops will be featured in restored buildings. Among those personally involved in the development and establishment of businesses appropriate to the Beale Street Project are entertainers Lou Rawls and Charlie Rich.

Graceland, the home of Elvis Presley, has become a more popular tourist attraction than originally had been expected. This, along with the new Mud Island complex at the river's edge in downtown, have been a boon to the tourist industry.

Perhaps the best-kept secret in the South is the Memphis Cotton Carnival. The 52-year-old, 16-day celebration, including a music fest, is under new professional management. It drew upwards of 1 million people this summer.

Long considered only a local celebration of "King Cotton," the carnival has expanded, featuring a wide variety of activities, parades, balls and dances. By bringing progressive marketing and promotional techniques into the carnival, organizers and local residents hope to make this yearly event self-supporting, bigger-than-ever and a major economic factor in the area.

For 102 years, Memphis was served by two daily newspapers, morning and evening. With the demise of the *Memphis Press-Scimitar*, a Scripps-Howard property, in October, only the morning *Commercial-Appeal* remains.

Numerous weeklies service the market, along with 24 radio stations (12 am and 12 fm). Tv is represented by all three networks, an independent and a public broadcasting station. A full-service cable system also services the area.

Mobile, Ala.

Population '80	443,536
Rank	92
Est. income '82	$3,219,000,000

A waterway that would eventually link the Gulf of Mexico at Mobile with the mid-American heartland is expected to open in late 1985.

Barring any unforeseen problems, the 234-mile-long Tennessee-Tombigbee Waterways System would link two of Alabama's inland waterways, the Warrior and the Tombigbee, where only limited navigation is currently possible.

More than $250 million has been pumped into the area in developing the facilities at the Port of Mobile to handle the anticipated increase in business all this would generate. One of the largest, most modern coal-handling facilities has been developed, and grain elevator space has been doubled.

Total construction in the city of Mobile during the first half of 1983 showed a decrease of 10% from the same period in 1982, but the value of residential construction was up about 63% for the same period.

Total construction value for the first six months was $51.9 million in residential and nonresidential projects. The number of apartment units issued permits was up 15%, with new housing permits up more than 100%.

In addition to the $17.7 million for apartments and the $8.6 million for new houses, other major construction during 1983 included $5.3 million for retail stores and other mercantile buildings; $2.5 million for office, bank and professional buildings, and $3.2 million for schools and other educational facilities.

The February designation of Mobile as a Foreign Trade Zone, located in the Brookley Industrial Complex and at the airport, gave added impetus to over-all industrial development in the Greater Mobile area.

M&T Chemicals announced a multi-million-dollar expansion of its Axis plant for the production of thioglycolic acid and is scheduled to open in early 1984. Harding Safety began manufacturing fiberglass open and enclosed lifeboats. A $20 million expansion program for Ciba-Geigy's chemical plant at McIntosh was announced.

Also, construction began on the Herman Maisel & Co. 10-store Montlimar Place Office Park to total about $25 million in cost.

A $55 million coal-handling project was dedicated as an expansion to the Alabama State Docks McDuffie Terminal. The Riverview Plaza Complex held its grand opening during the summer as a 28-story, 391-room Stouffer Hotel, plus office tower parking.

Union Carbide started construction of a multi-million-dollar molecular sieve plant that would be adjacent to the company's existing facility. It is expected to be completed by the end of 1984.

McRae's Department Store began construction of its new $12 million outlet to be located in Springdale Plaza.

The Admiral Semmes Hotel was purchased by Equity Management Corp. of Dallas. Renovations were started in October and are expected to cost between $12 million and $15 million before work is completed early next year.

Sales tax revenues are up 7% so far for 1983, along with a 4% rise in lodging tax receipts, and a 7% jump in bank deposits, with all this indicating a healthy, strong economy and wide business base for the entire area.

Recreation and tourist-related industries continue to be a dominant growth area for the whole region. The beautiful floral displays along the 37-mile Azalea Trail each spring attract many thousands of visitors to the city.

Over the past few years, as the New Orleans Mardi Gras has continued to lose its luster and appeal, the Mardi Gras of Mobile has been growing in popularity and scope. Additionally, for the past 26 years, America's Junior Miss has been crowned each year in Mobile.

College football's Senior Bowl played in Mobile each year. Top college seniors making up North and South football squads get one last chance to show off their talent before moving, they hope, into the pro football ranks.

The USS Alabama, one of World War II's battleships, is permanently anchored in Mobile Bay and is a popular visitor attraction.

Mobile is serviced by five tv stations, three network affiliates, one independent and one public broadcasting station, as well as 15 radio stations. The *Mobile Press-Register* publishes morning, afternoon and weekend newspaper editions.

Nashville, Tenn.

Population '80	850,505
Rank	53
Est. income '82	$7,717,252,000

Tourism in Music City during 1983 suffered an 8% to 15% drop from the levels it reached the previous two years. But even with that setback, the economic picture of Nashville can be painted only as rosy. Every turn of the highway or street seems to reveal another new construction project. The music industry is recovering—although at a glacial pace—from its faith-testing recession. Unemployment in Nashville/Davidson County is down to a civic-booster's delight: A mere 6%.

One reason Nashville has such a high level of employment is that it is the state capital—as well as the Davidson County seat. In fact, the state government is Nashville's single largest employer, with a workforce of 16,325, followed by the federal government (9,425), the city government (8,585), the public schools (7,755), Vanderbilt University and Medical Center (6,630), Hospital Corp. of America (6,500), South Central Bell Telephone Co. (4,500), Avco Aerostructures Division (4,215), Opryland U.S.A. (4,175) and Kroger Food Stores (2,960).

Construction fairly bristles throughout the town and far into the suburbs —from a $161 million convention center in progress downtown to the $500 million Nissan Motors light truck assembly plant in nearby Smyrna that officially opened in October.

After years of haggling for federal funds and casting about for a commercial patron, Nashville's historic Union Station appears to have found a savior in the Elkington & Keltner Group from Memphis.

This company has agreed to restore and develop the old railroad station into a complex of offices, shops and restaurants. It is expected that the restoration, set to start this spring, will cost $30 million and take two years to complete.

Other large projects on the books or on the way include the $80 million Highland Ridge Office Center, $35 million Brentwood Executive Center, $40 million Vanderbilt Plaza hotel and office building, $40 million Koger Properties Executive Center, $60 million Third National Bank Tower, $50 million One Nashville Place office building and $45 million Opryland Hotel expansion. The Opryland Hotel, amusement park, the Grand Ole Opry, the Nashville Network cable service and WSM (am and fm) was purchased in mid-1983 by Gaylord Broadcasting, a division of Oklahoma Publishing Co., Oklahoma City.

There have also been several recent industrial expansions: Avco Aerostructures Division leased additional space and hired more workers to meet its government contract to build wings for the B-1 bomber; Baptist Hospital is building an eight-story, $17 million

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One year after

By Edward Morris

A year to the day after the 1982 World's Fair ended on Oct. 31, the *Knoxville* (Tenn.) *Journal* was running a front-page investigative series on "The Fall Of The House Of Butcher."

Cooperatively written by reporters from the *Journal* and the *Nashville Tennessean*, the series detailed the creation and collapse of the Knoxville-based banking empire of brothers Jake and C.H. Butcher Jr. The former, who failed twice in his attempt to become Tennessee's governor, was the moving force behind the World's Fair, and his banks provided much of its financing.

The fair and the Butchers have been the biggest things to happen to Knoxville in ages. Both are still very much on the minds of the citizens of this city, and both have their share of scournful detractors and eloquent partisans.

Unlike a carnival that folds its rides, packs its trucks and moves on, a World's Fair doesn't just vanish when the ticket booths come down and the souvenirs are cut to half-price. At the 72-acre fair site in downtown Knoxville, visitors can still tour the lofty Sunsphere, which symbolized the event's energy theme. Restaurants continue to operate in the sphere and in the charmingly restored L&N Depot.

The Holiday Inn that was built there especially for the fair appears to be thriving. And there are all sorts of plans afoot for turning the mostly deserted site into a "festive retail area." Amid the acres of empty concrete slabs and stairways that lead nowhere stands the empty U.S. Pavilion. If everything goes well, it will be reopened as a permanent science and technology center in early 1985.

Those who have been intimately involved with the fair look back on it with considerable fondness and pride. They tend to discount the horror stories about housing scams and traffic jams that appeared periodically in the national media during and after the exposition.

"The catalytic effect for the community has been phenomenal," boasts Mayor Randy Tyree, who presided over the city throughout the course of the fair. "It did a lot for our self-confidence." Mr. Tyree also maintains that it did a lot for state and local revenues, citing a $5 million gain for the city, $2.5 million for the county and $20 million for the state. He says that once the site is restored to commercial use, it will generate an estimated $15 million for Knoxville within its first 20 years.

The Sunsphere is a visible reminder of the Knoxville World's Fair.

In anticipation of fair traffic, Mr. Tyree says, $226 million was spent on interstate highway construction within the city and another $3 million for improvement of other local roads. Before this massive building project, three interstate highways had funneled into two-lane connecting roads to form what Mr. Tyree calls "the world's largest parking lot."

The upgrading took three years to complete, but now traffic pretty much breezes through Knoxville, and the prediction that there would be collosal traffic tieups during the fair never came true.

Carol Schroeder, a researcher with the Knoxville Chamber of Commerce, says: "The fair was marvelous. We were appalled at some of the articles that came out about it. It was the best experience we've ever had here." She admits, though, that the event may have been a disappointment for those who came seeking entertainment instead of enlightenment: "If you didn't want education, you probably didn't like it." She says the chamber gets a lot of inquiries from people who were introduced to Knoxville through their fair visit and who now want to live there.

For an event that drew approximately 11 million people, the fair was remarkably low on crime and chicanery.

Brenda Pritchard of the Knoxville Better Business Bureau says most of the complaints—around 5,000—were about housing. Many of these, she explains, were the consequence of the inadequate computer system used by the housing service and not from any calculated deception.

Ms. Pritchard's appraisal is echoed by Sgt. Steve Stinnett of the Knoxville Police Department's crime analysis unit. He says felonies during World's Fair year were actually down 5.2% from the year before. "Larceny was probably the biggest problem we had associated with the fair," he says. "You know, someone would put a camera down and someone else would steal it." Except for the addition of some parttime officers and a reshifting of assignments, the fair caused little alteration of local police activities.

Certainly, Knoxville is not caught up in collective post-pavilion depression over the closing of the 1982 World's Fair. But the ripple effects are so far-reaching in this small city that, in a way, the fair isn't over yet.

Edward Morris is an ADVERTISING AGE *correspondent in Nashville, Tenn.*

American Segments, VII

Quality: Where to live

'Places Rated Almanac's' top 10 metro areas

		Score
1	Atlanta	679
2	Washington	685
3	Greensboro-Winston-Salem-High Point, N.C.	699
4	Pittsburgh	730
5	Seattle-Everett	768
6	Philadelphia	773
7	Syracuse, N.Y.	780
8	Portland, Ore.	784
9	Raleigh-Durham, N.C.	785
10	Dallas-Fort Worth	795

Note: Score based on ratings in a variety of categories, including housing, healthcare and environment, transportation, cultural assets and education.

Source: "Places Rated Almanac" by Richard Boyer and David Savageau, copyright ©1981 by Rand McNally & Co. Used by permission.

structure as part of its $46 million expansion program; Ford Motor Co.'s glass plant is expected to spend $88 million upgrading and adding to its facility. Bridgestone Tire Co., Tokyo, recently bought the old Firestone Tire plant in suburban LaVergne and plans to invest $30 million in modernization.

As evidence of the music industry's resurging health, all the major record labels in the U.S. maintain Nashville divisions: CBS Inc., RCA Corp., MCA Inc., Mercury/PolyGram and Capitol/Liberty/EMI. There is similar representation by music publishing companies.

The city abounds with dozens of top quality recording studios, and several impressive video production companies have set up shop in the past few years. In addition, all major music trade magazines have bureaus or representatives in Nashville.

The Nashville Metropolitan Metro Airport is serviced by 15 airlines and has approximately 226 flights daily. There are 16 colleges and universities within the metro limits.

Nashville has 10 am and 11 fm radio stations, five tv stations, one cablevision service and two daily papers.

West South Central

Austin, Tex.

Population '80	536,688
Rank	77
Est. income '82	$5,249,544,000

Austin's drawing power for new industry is symbolized by its selection—after a nationwide search—as headquarters for MCC (Microelectronics and Computer Technology Corp.), the national consortium of high-technology researchers.

This Texas city sits on the edge of the hill country and at the lower end of a chain of lakes on the Colorado River. In the downtown area, the river is called Town Lake and is bordered by greenbelts and hiking and bicycle trails. Although Austin is an important retirement area, the median age in the county is under 27.

Into this surrounding, MCC will bring relatively few jobs to Austin but, in turn, it is attracting related industries with thousands of jobs. Chase Econometrics forecasts employment in Austin will grow faster than in any other U.S. city and at more than twice the national rate in the next nine years. The number of jobs will rise at an average annual rate of 4.2% from 1982 to 1992, increasing from 265,000 jobs to 400,000. The national average is 2% a year.

The Austin metropolitan area labor force grew from 293,800 people in September, 1982, to 310,800 a year later. The increase in the number of jobs available kept the unemployment rate, unadjusted for seasonal changes, at 4.4% for September, up more than one-half point from August, but lower than the 4.7% a year earlier. Austin has consistently had the second lowest unemployment rate in Texas, itself one of the more fortunate states during the recession.

Jobs in the construction sector rose to 15,300 in September, up from 14,000 last year. Wholesale and retail trade jobs were up to 62,300 from 60,000 in September, 1982. Government jobs were up from 80,400 to 81,200 this September.

Industries in Austin include Abbott Laboratories, a pharmaceutical company; Tandem Computers and Lockheed Missles & Space, both of which are under construciton; expansions of Motorola Inc. and International Business Machines Corp., and homegrown Tracor Inc. In addition to city and county government employes, Austin is the state's capital, as well as home for federal facilities, including Bergstrom Air Force Base and a regional Internal Revenue Service office.

The University of Texas at Austin, St. Edward's University and Houston-Tillotson College also are major employers and sources of potential employes. Other institutions of higher education include Concordia College and Austin Community College.

Meanwhile, developers no longer able to pour money into saturated larger markets are turning to Austin. Building permits were up 25.2% in 1983 through September, representing more than $643.1 million in construction. New commercial building permits totaled $171.7 million through September, down nearly 9% from the same period in 1982.

Part of the reason for the decline is the value of several major projects with permits issued in 1982, including $93 million for three downtown high-rise office projects.

In addition to the modern new office structures, Austin is enjoying a renovation of historic structures downtown. Sixth St., a seven-block strip of historic buildings, draws crowds to restaurants, bars and live theaters, as well as street-corner vendors. A major low-rise apartment complex is nearing completion. Two historic hotels are undergoing restoration, and the Hyatt Regency, in its second year of operation, is maintaining an 80% occupancy rate—the highest for Texas Hyatts and in the top 10 among all 70 of the company's hotels in the U.S.

New residential permits for the year through September were up 49%, compared with 1982, representing $408.4 million in construction. Permits had been issued for more than 4,400 single-family homes in Travis County and for more than 500 in the bedroom communities of Round Rock and Georgetown. The Travis County total is expected to surpass 6,000 by the end of the year. Demand for new homes is so strong that entire communities, including retail, office, industrial and school facilities, are being built within a few years. The average price of new homes sold during the third quarter was $92,280, up 18.8% from a year ago.

Home resales through September were nearly 3,800, up 30% from the same period in 1982. The average resale home price for September of this year was $86,883, up from $79,632 in 1982.

Austinites continue to be embroiled in growth vs. no-growth debates, but the question has become moot as the area continues to grow.

The not-so-good news about Austin is its energy supply. Voters, with only 15% turnout, in October defeated $583 million in bonds to finance the city's share in a coal-fired generating plant and construction of a waste-to-energy plant. The latter lost by 27 votes. Overwhelming approval, however, was given for $39 million in bonds for a series of small-scale energy conservation and solar projects.

Austin has one major daily newspaper, the *Austin American-Statesman*. There are three network-affiliated tv stations and one Public Broadcasting Service station, which is on the University of Texas campus and known for production of "Austin City Limits." There are eight fm and six am radio stations, including an all-Spanish language station, plus three stations in surrounding smaller communities.

Baton Rouge, La.

Population '80	494,151
Rank	86
Est. income '82	$4,717,945,000

A petrochemical industry on the rebound, the return of the Democrats to state office and a run-in with the law by Louisiana State University football great Billy Cannon have dominated the news down on affluent South Sherwood Forest Blvd. in Baton Rouge, La.

Baton Rouge, whose population went up 31.6% from 375,628 in 1970 to 494,151 in 1980, traces much of that upswing to its burgeoning petrochemicals business, ribboned along the Mississippi from 10 miles north of the city to 40 miles south. That sector of the economy accounts for 6% of the total workforce, but supports three jobs outside the industry for every petrochemical worker, city officials estimate.

The petrochemical industry, which usually trails the rest of the economy going into a tailspin and coming out of one as well, is just beginning to fight its way out of a depressed state that brought closures and layoffs of up to 21% of the industry's entire workforce of 14,000.

The industry, which traditionally spends $1 billion or better each year on expansion projects, has cut capital expenditures in half during the past few years. USS Chemicals, owned by U.S. Steel, closed down, throwing 500 out of work. Negotiations are under way to reopen the plant under new ownership. Ethyl Corp., affected by the recession and the trend toward more nonlead gasoline products, has cut back its workforce by about 200 people.

The corridor is seeing a slight turnaround as about 1,500 of the 3,000 laid-off employes have returned to their old jobs in recent months. The unemployment roll stood at 10.2% in August, a slight decline from previous months, but still too high for comfort.

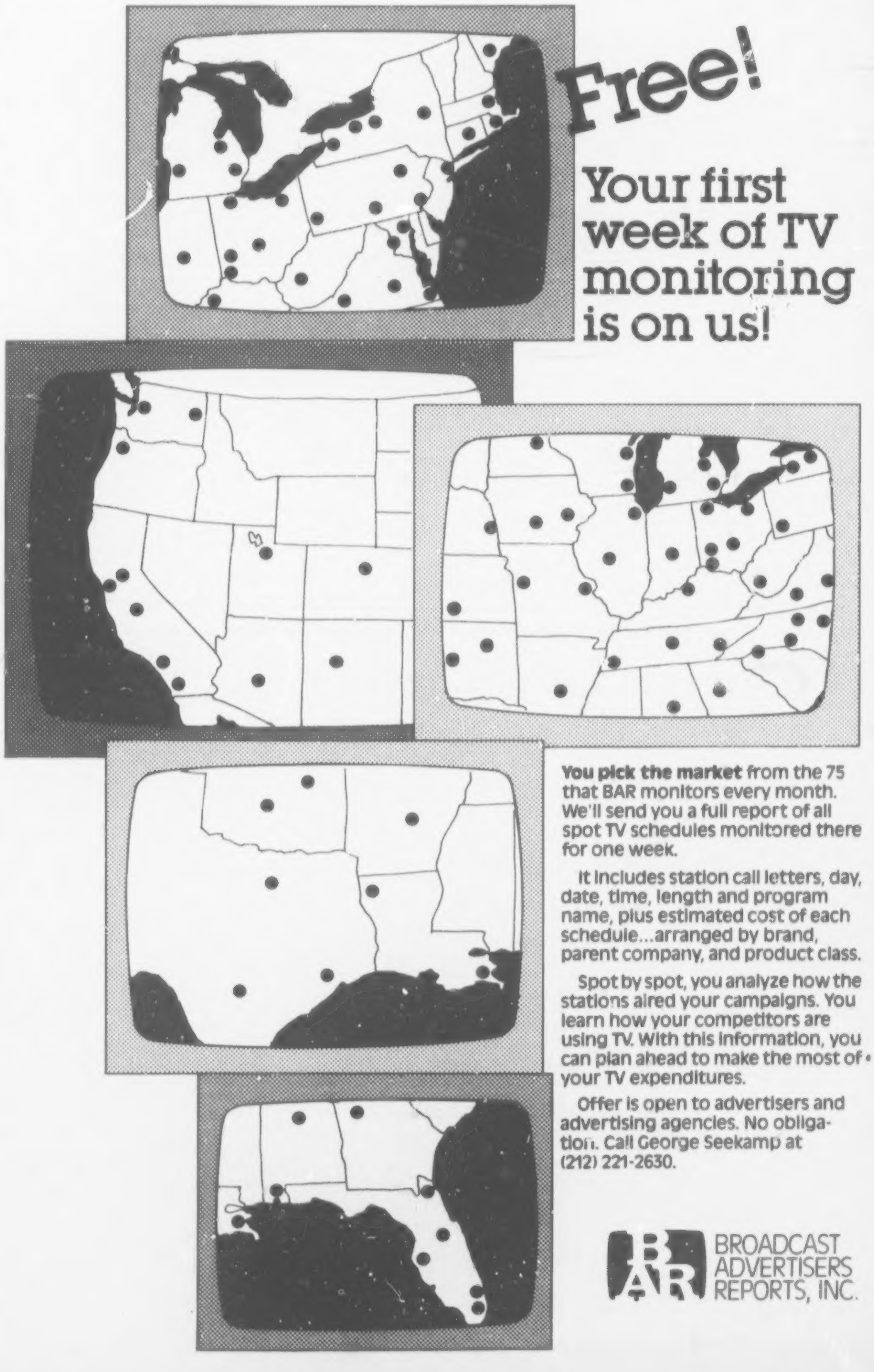
A number of government workers tied to patronage jobs entered the ranks of those unemployed in Baton Rouge, the state's capital, following the election of former Gov. Edwin W. Edwards back to the governorship. (Under Louisiana law a governor cannot serve more than two consecutive terms.) In October, Gov. Edwards defeated Republican incumbent Gov. David Treen, who had been the first non-Democrat in the state house since Reconstruction.

Despite the change in administrations, the stability of the government workforce remains a strong arm of the Baton Rouge economy, accounting for some 22% of the labor force. While much of this is attributable to the state government, a large percentage reside in jobs at LSU, a campus with 30,000 students, and Southern University, with an enrollment of 8,500.

The university system contributes heavily to the construction industry in the city, which registered a record $247 million in construction contracts in 1982, a record already broken in the first three quarters of 1983, during which $340 million in new construction (commercial and residential) were started.

Other developments include a number of small office complexes in the South Sherwood Forest Blvd. area in the city's outlying wealthy southeast quarter. Of the $35 million in new residential construction permits let in September, most are for homes in this area. This one-month figure is three times the number of permits in September, 1982, local officials say.

That area is also seeing extensive construction work at Jimmy Swaggart Ministries, headquarters for the tv evangelist/revivalist. The projects include two 12-story dormitories, an activities building and a sanctuary seating 7,000—all to be finished by September, 1984, when Jimmy Swaggart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Bible College is scheduled to open to a freshman class of 500. The evangelist's newly completed World Ministry Center is nearby.

Phase 1 of the renovation of Catfish Town continues with the conversion of warehouses into office complexes along the Mississippi wharf area downtown.

A federal grant is helping finance the project. Total cost of Phase 1 is about $25 million. Phase 2 calls for restaurants and entertainment to be built in the area, which would complement other attractions along the Mississippi, including the USS Kidd, a Navy destroyer permanently anchored in the river and open to the public. Construction is in progress on the nearby Naval War Museum.

Meanwhile, Baton Rouge motel developers expect the city will not only be a stopping place for tourists heading into New Orleans to visit the 1984 World's Fair, but will serve as a base of operations as New Orleans becomes overcrowded with tourists.

Shoney's Inn recently opened for business, a La Quinta motel is almost finished, ground has been broken on the luxury Granada Royale and one of the city's three Holiday Inns has a new addition.

Baton Rouge officials already are signing up bus tours that will use the city as home base, while making forays into New Orleans for the fair and into the surrounding countryside dotted with plantation homes.

As for football legend Billy Cannon, a heart-tugging drama began to unfold during the summer when the onetime LSU star was indicted by a federal grand jury on charges of counterfeiting. He subsequently pleaded guilty and was sentenced.

Among Baton Rouge media, the *Morning Advocate* has shown steady growth. Its circulation of about 78,000 is twice the size of the *State-Times*, its sister paper. The combined papers are owned by media mogul and publisher Douglas L. Manship who also owns WBRZ-TV, the city's ABC affiliate, the combined WJBO/WFMF (fm) radio stations in Baton Rouge, as well as other media properties in Texas and Illinois. Total CATV Inc. is the local cable franchise and has a 32-channel capacity.

An upstart business monthly, *Greater Baton Rouge Business Report*, was recently named the best business tabloid by the American Chamber of Commerce. The publication, founded by Rolie McCollister, is a year old.

Dallas, Tex.

Population '80	1,957,378
Rank	14
Est. income '82	$24,829,986,000

While the economic recession took its time leaving the Lone Star State, the diversified economy of the Dallas MSA has weathered the storm nicely. Unemployment rose to 5.7% by the end of 1982, but optimistic business forecasts brightened the outlook for the new year.

The optimism surfaced in the business communities in Dallas and nearby Ft. Worth, revealing no fewer than nine new office towers dotting the skylines. Ambitious plans for construction of several new buildings signified increased confidence in the continued success of the marketplace.

One key to the area's success is the wide variety of businesses and industry. The rush of corporate relocations has cooled from the frenzied pace of the late 1970s, when Diamond Shamrock, American Airlines, Boy Scouts of America and Associates Corp. of North America moved here, leading a headlong rush to Sunbelt prosperity.

These companies have grown internally, along with a general rise in high-technology companies in the Plano-Richardson area and the newly announced "Metrocrest" area in northwest Dallas County cities of Addison, Farmers Branch, Carrollton and Lewisville. Increased military budgets have aided growth in high-tech companies in eastern Tarrant County. Companies such as E-Systems, Bell Helicopter, LTV-Vought, General Dynamics and Aerospatiale have enjoyed defense department contracts that have boosted employment.

One dark spot, however, has been the performance of the consumer products division of Texas Instruments, which forced layoffs of thousands of employes throughout TI facilities. The company announced in October that it would withdraw from the heated personal computer field.

Part of the Dallas market's financial growth was attributed to multi-million-dollar loans to the booming energy industry. The price bubble burst, however, in late 1982, and a year later several major bank holding companies announced major losses, attributable to forfeited energy loans.

Growth in the Dallas area has been led by areas such as Las Colinas, a 120,000-acre development that includes either the national or regional headquarters for companies such as International Business Machines Corp., Xerox Corp., Caltex Petroleum, Bozell & Jacobs/Southwest, Boy Scouts and Zale Corp., which built new national headquarters there.

Far North Dallas and Plano have been highlighted by phenomenal growth with Canadian-based Daon's development of The Quorum, a smaller taste of the Las Colinas idea. The Quorum development has spurred one of the largest retail spurts in the country with some nine major department stores—including Bloomingdale's, Saks Fifth Avenue, Marshall Fields, Sakowitz, Neiman-Marcus and a major test model Sears store—in four regional shopping malls within a two-mile radius.

The airline industry has enjoyed some success in the Dallas-Fort Worth area, despite the demise of Braniff International in May, 1982, and the general decline in profits among competitors in the industry.

The area of greatest competition is at Dallas Love Field, where upstart Muse Airlines, with its unusual no-smoking policy, is successfully challenging the profitable Southwest Airlines for regional passengers. Braniff, now owned by Hyatt Corp., is planning to fly again.

The area also is becoming the "Third Coast" in the motion picture industry with the opening of the Dallas Communications Complex in Las Colinas. Francis Ford Coppola recently completed filming "The Silkwood Story," starring Meryl Streep and Cher. Several rock acts, including David Bowie and Genesis, have used the new complex to produce video clips for MTV:Music Television.

One of the market's biggest hurdles in growth was vaulted in this August when voters approved the DART (Dallas Area Rapid Transit) proposal calling for the development of light rail and bus transportation from the central business district to the Dallas suburbs.

The Dallas MSA is served by two daily newspapers, the *Dallas Times Herald* and *Dallas Morning News*, five weekly publications, six tv stations, 22 radio stations, including eight am, and several cable companies.

El Paso, Tex.

Population '80	479,899
Rank	88
Est. income '82	$3,068,077,000

El Paso, Tex., and the International Monetary Fund have one thing in common—they both have been affected by the economic ills of Mexico.

At the foot of the Franklin Mountains of arid southwest Texas, El Paso and its 479,899 inhabitants are integrally linked in commerce, culture and language, with a population mass of 1 million in Juarez across the Rio Grande, just three minutes from downtown El Paso.

So when the Mexican government, under new President Miguel de la Madrid, devalued the peso three times between February, 1982, and the spring of 1983, shock waves were felt down on Mesa Ave. in El Paso, not to mention the main streets of U.S./Mexican border cities from Brownsville, Tex., to Tijuana.

The peso dropped from 25 to 75 to the dollar in the first devaluation, and citywide department store sales slumped 4%.

By the end of the year, after the second devaluation had dropped the peso to 150 to the dollar, citywide department store sales were off 18% compared to 1981, according to the Federal Reserve Bank of Dallas.

Downtown El Paso retailers were hardest hit. Mexican nationals account for well over 50% of all retail sales in that sector, and up to 80% in some major stores. The number of Mexican's crossing the border dropped 2.4% during the year, and those who did cross bought less with their devalued pesos. Merchants cut store hours, employes were laid off in this city, where 24% of the work force is involved in retail sales.

By the time the peso was allowed to float in spring, 1983—amounting to another devaluation, which has dropped the peso to about 173 to the dollar—many mom and pop stores and large retailers had been boarded up.

Department store sales in the first five months of this year dropped 21% compared with the same period in 1982, a figure even worse than it appears because of the depressed 1982 period. But the shakeout seemed to have run its course by the summer when retail sales began to rebound. In the four weeks up to Oct. 8, for example, department store sales were up 34%, although the year-to-date figure was still off 11% from the comparable period in 1982.

Unemployment has dropped—down to 10.8% in August, 1983, from 11.1% a year earlier—and, more important, the total employment base has increased by 36,000 in what local officials see as a climb out of the recession. Construction has picked up and so have the requests by companies across the U.S. for information on the

For Tulsa, 'average' is unique

By Martin Zook

In 1981, Ogilvy & Mather looked at the northeast Oklahoma oil town of Tulsa and liked what it saw. The city, the ad agency found, had an extensive and developed cable system and a not-so-"unique" market composition. The conditions, in other words, were ideal for testing for cable.

O&M got even more than that.

The agency's first survey, conducted in May, 1981, caused ripples in the television world because it showed that in a market where there is an extensive cable system, network shares eroded steadily.

That weakening, says O&M spokesman John Hunt, has accelerated as Tulsa Cable Television has added channels, including service requiring extra charges.

The findings provoked even more interest after *Reader's Digest* used them last year as the basis for its own survey, which turned into a highly visible trade advertising campaign. *Reader's Digest* found that cable viewers, on the whole, had not sacrificed magazine reading to spend more time in front of the tube.

The results of both studies reflect emerging trends in the tv industry that likely will fragment and balkanize markets, making it more difficult to reach targets, Mr. Hunt says.

"Within the Tulsa market, there was something unique, a 36-channel cable network," he says. The system is 10 years old in January and has progressed steadily, more than tripling the number of channels it offers.

The selection of programs is diverse and representative of what the norm is expected to be in middle-America markets across the country by the end of the decade, he adds.

In addition to the basic service, which includes four superstations, Tulsa Cable offers four extra pay channels, ranging from Walt Disney to Playboy. Mr. Hunt says cable systems across the country will include one or two extra channels, as well as several superstations, by the end of the decade. Almost 60% of the households in the cable company's franchise subscribe. Tulsa Cable is the only company serving the city, and latest figures show 110,000 subscribers.

If the state of the cable art is unique in Tulsa, the market isn't, says Mr. Hunt. The market is similar to other "middle America" cities with growing cable households.

This year's survey, with results scheduled to be released soon, will show "significant" further erosion of the network share, says Mr. Hunt. He declines to quote any figures.

If the survey portends things to come to other markets, as Mr. Hunt claims, it will complicate advertisers' decisions.

The *Reader's Digest* survey showed the reader most likely to read a magazine was the cable viewer. According to Don Horton, the magazine's advertising director, the O&M and *Digest* studies paint a picture of a fragmenting advertising market, with the upper-end consumer the most likely to watch less network, more cable, but not at the expense of magazine reading.

No longer, says Mr. Hunt, can advertisers on network television anticipate reaching the comprehensive markets as often as before.

"It's a horrendous scatter shot," he says. "The whole thing is a can of worms."

The *Reader's Digest* ad campaign encouraged advertisers to expand their magazine advertising budgets. The results did not spark any direct sales, says Mr. Horton, but did open up for review the rumblings from the Tulsa market.

O&M says its study shows the need to better target advertising. Mr. Hunt also says the trend shows a need for advertisers to diversify their budgets to maximize exposure.

There may be even further revelations from the Tulsa market in coming years.

Tulsa Cable plans to establish direct communications with its customers. At first, the company anticipates adopting technology that would allow it to turn services on and off from its offices, rather than send a truck to the site. In addition to cutting overhead, it would pave the way for the company to offer other direct services, such as banking, bill paying and even shopping.

Futuristic?

"No," says George Stewart, marketing and program director at the cable company. Within a year, Tulsa Cable would like to establish that direct contact.

Martin Zook is an ADVERTISING AGE *correspondent in Tulsa, Okla.*

GOP packs its trunk for Dallas

By Tom Bayer

Republicans won't start swarming into Dallas for the 1984 GOP convention until mid-August. But some members of the press began moving into Dallas last summer to get ready for coverage of the Republican show of shows that is expected to pump a quick $20 million into the Dallas economy.

Dallas has long been a major convention city; huge numbers of delegates gather throughout the year for professional meetings, trade shows, fraternal conclaves and fashion, houseware, toy and other exhibitions. And each group deposits a tidy sum that ripples through the economy, multiplying the economic impact of those first dollars spent on convention services, hotels, entertainment, food and retail goods.

By comparison, the Republican National Convention is a small group. Expected are 2,000 delegates, 2,000 alternates, another 2,000 VIPs and spouses. The Mary Kay Cosmetics annual seminar, which had to be rescheduled for an earlier date to make room for the Republicans, expects at least 32,000 for its gathering.

The Republican National Convention, however, will have a much greater impact than the ordinary convention of 6,000 to 8,000 delegates. The GOP gathering is a major news story from start to finish.

It will be covered by 10,000 members of the press corps who will often focus their cameras and typewriters on Dallas, especially if the convention is more of a "coronation" without controversy.

The impact of that news coverage could last for 20 years or more. With that in mind, the Dallas Welcoming Committee and numerous businesses have been working overtime to accommodate the needs of the press and delegates well in advance.

Members of the press, for example, have already been sent copies of a comprehensive fact book that presents information about Dallas and neighboring Fort Worth. It even includes a straightforward and realistic statement about one controversial bit of history that always will be associated with Dallas, the assassination of President John F. Kennedy in 1963. An updated and expanded fact book will be sent to the press as the convention date nears.

The news media have already reserved the necessary parking spaces and negotiated for certain settings or backdrops for tv broadcasts. At least 23,000 of Dallas' 32,500 hotel rooms have been reserved for a minimum five-night stay, although most involved in the convention will be staying for at least two weeks.

Officially licensed souvenirs, from the trivial to the expensive, are being prepared, and volunteers are being recruited to drive VIPs, lead tours or help with other civic tasks during the convention. The committee is cataloging volunteers' names and other resources on computer so members of the press can quickly find where to go for various services.

At the same time, a city press room or Dallas Information Center is being created with shelves of books and information to be used by the press during its coverage of convention activities.

In addition to literature and information on the city and its sights, the committee is providing the press with a hospitality room and computers with pertinent databanks.

Welcoming committee officials explain that their early start was prompted not only by a desire to put Dallas' "best foot forward," but also by the problems networks will face in the summer of 1984, when they will have to cover the Democratic convention in San Francisco, shift to Los Angeles for the 1984 Olympics and then to Dallas for the Republican convention.

Tom Bayer is ADVERTISING AGE'S *Dallas bureau chief.*

maquiladora program.

Therein lies one of the strong points of the El Paso economy. *Maquiladora* is the twin-plant concept in which a U.S. company operates a distribution or manufacturing facility in El Paso and ships raw materials or subassembled goods duty free to its companion plant in Juarez. The cheap labor finishes the product in Mexico and ships it stateside, where duties apply only to the value added. The Mexican side gets employers and technology transfer; the U.S. gets the goods at low cost.

El Paso also is served in this program by Chihuahua, a city 233 miles south of Juarez that has 24 such plants employing 6,000. *Maquiladora* has attracted a relatively diversified manufacturing base to El Paso since the program was conceived in 1965, although its critics say it encourages too many industries seeking low-skilled, cheap labor in El Paso, much less in Mexico.

On the corporate side, Rockwell International is adding 300 more to its work force. Allen-Bradley is rebuilding its business after siphoning off much of it in earlier years to Taiwan. GTE is expanding its El Paso operation and Tonka Toys has moved to the city from Mound, Minn. Reflecting the shakeout in the computer games business, Atari has let 350 workers go.

The construction industry had climbed out of its tailspin by early summer when cumulative commercial and residential building permits for the first six months hit $199 million, a 22.9% increase over the year-earlier period. Residential construction alone was up 91% in value for the period.

Melvin Simon & Associates of Indianapolis, developer of the Cielo Vista Mall, a popular shopping center located about 10 miles out of the center city in El Paso's middle to upper-middle income east side, is preparing to begin construction next year on a similar shopping center on the more prosperous west side. The new center would add further pressure on downtown merchants, who have begun to hold street fairs to attract business.

The street fairs reflect a change in market strategy by the downtown merchants, proving to be a benefit to the city's two major newspapers. Traditionally, the downtown merchants have advertised in the Juarez media to reach their main customers, but they are pushing the fairs and other promotions in the El Paso English-language press in hopes of pulling in El Paso residents and lessening their reliance on the Mexican national trade.

The combined operations of the evening and Saturday *Herald-Post*, a Scripps-Howard newspaper, and the morning and Sunday *Times*, a Gannett Co. paper, lost a number of major advertisers in 1982, when the recession and peso devaluations caused a number of them to close down. They also registered sizable declines in classified, auto, real estate and employment advertising in 1982, primarily because of the recession, but those sectors are improving in 1983. Circulation has slipped across the board in the evening and morning papers.

Group W Cable of El Paso holds the local cable franchise, offering 27 channels in the city. There are 19 radio stations serving the area, including eight am.

American Segments, VIII

Suburbs: Commuter havens

Top 10 metro areas by suburban populations, 1982

		Population
1	Los Angeles-Long Beach	3,940,100
2	Detroit	3,094,500
3	Chicago	2,983,200
4	Philadelphia	2,960,700
5	Nassau-Suffolk	2,637,400
6	Washington	2,523,900
7	Boston-Lawrence-Salem-Lowell-Brockton	2,452,300
8	Atlanta	1,813,500
9	Pittsburgh	1,744,500
10	Anaheim-Santa Ana, Cal.	1,636,000

Source: *Sales & Marketing Management* Survey of Buying Power, copyright ©1983.

Fort Worth-Arlington, Tex.

Population '80	973,138
Rank	41
Est. income '82	$10,432,034,000

There is a saying in Fort Worth, aimed primarily at Dallas, its chief rival 30 miles to the East, that "Fort Worth is where the West begins and Dallas is where the East peters out."

That statement says a lot about Fort Worth and adjoining sister city Arlington, the least of which is that Fort Worth is where East and West happen to meet.

Cowtown remains the moniker for this city, although steel and glass towers rise from the knoll above the low-water crossing on the Trinity River, where 19th century cowpokes used to drive cattle along the Chisholm Trail to Abilene, Kan.

It is a city where "basic" meets "frill" without much contradiction: Angelo's, a beer and barbecue place with sawdust floor and entryway dominated by a towering stuffed grizzly, attracts the same crowds that patronize fine dining in downtown Fort Worth and Dallas. Move on to Billy Bob's, billed as the world's largest nightclub, and you'll find that the dancers improvising the Cotton-Eyed Joe on the 30,000-sq.-ft. dance floor are the same culture mavens who patronize the Fort Worth symphony and opera.

"Where the West begins" also identifies Fort Worth-Arlington with the growth region of the country. While the major eastern and northern cities (Dallas is not that far east, either) have suffered population declines, the Fort Worth-Arlington population has grown 22.4% the past decade, according to U.S. Census data.

Growth has spawned a huge construction industry, which accounts for 6% of the area's work force. The homebuilders among them are ecstatic about the recent turnaround in single and multifamily projects. Permits for single and multifamily dwelling units for the first half of 1983 totaled 19,865, compared with 5,788 for the corresponding period a year ago.

The immediate cause for the reversal is a drop in interest rates, freeing up the mortgage market. But underlying that reversal is a persistent demand reflecting the strong economic base of Fort Worth-Arlington and its surrounding Metroplex (including Dallas). Bolstered by defense, electronics,automotive parts and assembly and banking industries, the area recorded an unemployment rate of 5.4% in August, compared with the 7.6% jobless rate in Texas.

Much of the boom in the new housing is taking place in Fort Worth's affluent southwest quadrant. One such development is CandleRidge, a 1,200-acre plot designed for 13,000 residents. Regional planners estimate that up to 120,000 more will be living in this quadrant in the next 10 to 20 years, requiring the construction of freeways, parkways and possibly commuter rail lines to hustle the population into the city's downtown commercial center with a minimum of hassle.

In preparation for that growth, both in the southwest sector and in other growing parts of the city, Fort Worth citizens passed a referendum proposal Nov. 8 calling for the creation of a Fort Worth Transportation Authority to be funded by a limited sales tax.

The facelift of downtown Fort Worth that began in the mid-1970s continues. A nine-block area of Main St. coursing through the business center has been renovated in a joint venture between the Bass Bros. Enterprises and the City of Fort Worth.

New office construction has included City Center, a two-tower, 1.5 million-sq.-ft. office complex. The 33 stories of Tower I, or First City Bank Tower, already are well over half leased. Just-completed Tower II, with 850,000 sq. ft., has just come onto the market and is a big reason Fort Worth's downtown occupancy rate has slipped to 80%.

Just off Main Street is the "Caravan of Dreams," a turn-of-the-century restoration project designed to stimulate development of the performing arts. The two-story project includes a 200-seat theater, art gallery, dance studios, library, jazz and blues club, all-night restaurant and rooftop garden for desert plants. The creator is Edward Bass.

Construction remains heavy at one of the area's biggest new-business magnets, the Dallas/Fort Worth (DFW) Airport, split down the middle by Dallas and Tarrant counties. Two new runways under construction and one on the drawing boards for 1985 are among the improvements being financed by $322 million in revenue bonds issued by DFW the past two fiscal years.

The airport's reflection of economic ills facing the nation's airlines has left a bittersweet taste in the mouths of many Fort Worth area residents. Braniff Airways filed for bankruptcy last year, throwing 8,000 out of work in the local market. The void left by the Braniff loss in airport business—325,000 fewer passengers enplaning per month at the time—has been filled by six new airlines, including United, Northwest Orient, Midway, Jet America and Transamerica. Trans World Airways moved into the market just before the Braniff bankruptcy. The others came later.

The area keeps its fingers crossed that American Airlines can avoid the troubled skies.

It is Tarrant County's second largest employer at 8,000, behind General Dynamics (16,500) and just ahead of Bell Helicopter Textron (7,500), both major defense contractors.

Fort Worth media include one newspaper, the *Fort Worth Star-Telegram* and spillover from the two Dallas metropolitan dailies. It has one network affiliate and two independent tv stations. Besides Dallas-based radio stations, the market has six am and eight am stations of its own. In cable tv, it has two services, one in Fort Worth and one in Arlington.

Houston, Tex.

Population '80	2,735,766
Rank	8
Est. income '82	$37,435,660,000

Not many trends are going in Houston's favor lately. The city known as the buckle on the Sunbelt has taken on somewhat of a tarnished appearance, now that the recession has hit full force—a blow even more difficult to take as the rest of the country recovers from economic ill effects.

In the usual economic health indicators, Houston has taken it on the chin. Unemployment, for example, once well below all national averages, is expected to climb to 10% by the end of the year, up dramatically from its average of 6.6% in 1982, and 4% years ago.

Severe reductions in commercial and residential building have added to the city's diminishing reputation as a boom town. Commercial building activity is off 39% to $1.3 billion, down from $2 billion in 1982, when it had already started to taper with a 6.4% drop from 1981's whopping $3.1 billion.

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In residential building, the news is slightly better, as predictions indicate activity may be stabilizing at near-1982 levels. For the first seven months of 1983, residential building was up 0.8% at $1.6 billion from $1.59 billion in 1982.

Yet another indicator, hotel occupancy, shows considerable slack in the city's economic leverage. Cutthroat competition is the name of the game in the city's lodging industry, thanks to record overbuilding followed by a dramatic decline in business. Average occupancy in the city is down from 61% in 1982 to a recent low of 55%. New hotel projects are on hold in most cases, while operating hotels fight back with rate cuts, extra services and occasional raids on competition's guest rosters to help fill empty room.

And, the city once known as the energy capital of the nation is deep within a domestic drilling slump. Companies marketing drilling supplies and services to oil and gas explorers and producers have taken a dive—many ending in bankruptcy liquidations or reorganizations.

While the oil and gas business has moved out of the spotlight, however, the city's retailing picture has enjoyed a recent shot in the arm with the opening of The Park, a $125 million, 185,000-sq.-ft. mall in downtown Houston. The shopping emporium, spiced with as many as 20 food service establishments, has generated as much enthusiasm locally as the Galleria did when it opened here more than a decade ago.

Still unknown factors in the city's outlook are the results of a $500,000 ad campaign to change the city's image from a cowboy town to a sleek, sophisticated urban mecca. In addition, the recent sale of one of the city's two newspapers will contribute an infusion of new blood. The 98-year-old *Houston Post* was sold to the Canadian-based Toronto Sun Publishing Corp. for $100 million, plus the value of the *Post's* working capital, estimated at $30 million.

The prevailing thought is that regular readers of the *Post* will be in for a surprise as the *Toronto Sun* takes over. If the *Post* hopes to catch up with the *Houston Chronicle*—which has more circulation and advertising lineage—it will no doubt be remade in the *Sun's* image—grabbing readers with a tabloid replete with screaming headlines, color pictures and short, punchy stories.

The city is served by three network tv affiliates, two independent stations and an educational station, along with 26 radio stations, 11 am and 15 fm. Houston receives cable programing from Gulf Coast Cable Television.

New Orleans, La.

Population '80	1,256,256
Rank	32
Est. income '82	$12,815,874,000

While high energy costs and high interest rates were plunging most of the U.S. into recession in the early 1980s, New Orleans, along with much of southern Louisiana, was riding the crest of an oil and gas boom.

Shipbuilding, drilling platform fabrication and oil field service and supply activities continued from the late 1970s at fever pitch until demand fell for offshore territories, their wells, fleets and hard-hat crews.

Heavy marine builders like Avondale Shipyard and Halter Marine saw contracts and payrolls shrink, sending financial shock waves through the New Orleans-area economy. By mid-1982, local unemployment began hitting records of 10% to 12%, as other industries either closed or severely curtailed production. Kaiser Aluminum shut down its Chalmette plant south of the city, and GHR, the nation's largest independent petroleum refinery, went bankrupt.

But by fall of 1983, the energy scene seemed to be stabilizing, generating enough hope and motivation for oil companies to bid a total $1.55 billion for the right to lease two billion acres of waterbottoms in the western Gulf of Mexico. (The bids were twice as high as the government had anticipated.)

Yet even in "off year" 1982, Louisiana petroleum production had an estimated value of $30.4 billion—second only to Texas and a fourth of the U.S. total of $134 billion. The Pelican State's natural gas production reached $15.5 billion, with even greater potential for future value once that commodity is fully deregulated and the Tuscaloosa sands across southern Louisiana are exploited.

Some industrial bright spots in the Crescent City did not lose their luster during the recession, including the NASA-Michoud facility, where Martin Marietta is working hard to perpetuate construction contracts that would eventually provide booster fuel tanks for at least 232 Space Shuttle flights through the mid-1990s. In 1983 the company won a three-year, $505 million pact from the National Aeronautics & Space Administration to build 26 more of the giant tanks and to buy materials for 21 more.

High-rise office building and hotel construction was a stellar performer during the early 1980s, with some of the impetus coming from the city's reputation as a convention and tourist center and some in anticipation of the 1984 World's Fair rising along the Mississippi River not far from Canal Street. The four-parish metropolitan area boasts more than 25,000 hotel and motel rooms, with three-fourths of them within walking distance or a short taxi hop to the fair site.

One of the residual benefits of the fair is expected to be the $25 million riverfront marketplace being fashioned by Rouse Co. On the West Bank in Jefferson Parish, Rouse has also bought Oakwood Shopping Center, next to which it plans to develop a $216 million corporate center.

F.W. Dodge-McGraw Hill reported that the New Orleans area saw nonresidential construction contracts total $527 million in 1981, $1.2 billion in 1982 and $247 million in the first eight months of 1983. The $500 million Canal Place, near the French Quarter, is in its second phase of construction and houses such retailers as Brooks Bros., Saks Fifth Avenue and Gucci.

An added impetus for growth in the central business district has come from the Downtown Development District, which is funded by a special property tax. The revenues fund a capital improvements program and special services, such as free noon-hour public Brown Bag Concerts.

Another big-ticket construction item has been the $750 million parallel span and approaches for the Greater New Orleans Mississippi River Bridge, which will double the current four-lane capacity between downtown and the West Bank, a booming area. Traffic flow on the new span should start by 1985, when a new elevated West Bank expressway also is scheduled to open.

The Port of New Orleans continued to suffer declines in tonnage and dollar value of commerce during 1983, though strong container cargo traffic was bucking the recessionary trends.

Calling on New Orleans' ingrained sense of history that long ago led to restoration of the French Quarter, preservationists and investors have teamed up—with a big assist from federal tax incentives for historic buildings—to rehabilitate many areas, from the warehouse district to Coliseum Square and the Irish Channel.

Popular with tourists and natives alike are the revitalized Audubon Park and Zoological Gardens, which receive close to 1 million visitors yearly and are now ranked among the top three in their class and among the top 10 for any size nationally. Millions of dollars have been spent to place zoo inhabitants in natural settings—even to the extent of recreating a Louisiana swamp, populated with alligators and other aquatic and wild life.

The market is served by one daily newspaper, 13 am and 13 fm radio stations and six tv stations, including a public broadcasting station. One cable company serves the city.

Oklahoma City, Okla.

Population '80	860,969
Rank	51
Est. income '82	$9,116,968,000

Oklahoma City's immunity to the national recession was dented when the price of oil began to recede in the summer of 1982. But the state capital's economy has remained relatively healthy because of the large number of government jobs and diverse manufacturing employment.

While the oil sector weakened, construction set records in the two residential categories. Also, General Motors began recalling workers to its plant there, and retail sales have remained level.

As a result of the oil slump, federal bankruptcy court in the city was swamped with a record number of filings by businesses. Many of the businesses were small oil-related companies that sprang up in the heady days of the late 1970s and early 1980s.

One noteworthy failure was that of the Penn Square Bank, which is still being unraveled.

At the same time, Oklahoma City's economy was not rocked as hard as Tulsa's by the oil and gas industry slump. For one thing, the capital city's manufacturing sector is less dependent on the oil industry.

Additionally, stability in the manufacturing sector has allowed it to add jobs while Tulsa was losing jobs. It is now believed that for the first time in the state's history that the manufacturing sector in Oklahoma City is larger than in Tulsa. Perhaps even more significant are those 60,000 to 65,000 jobs in the government sector. The security of the government jobs has buoyed the employment statistics.

Residential construction, reflecting lower interest rates, is well ahead of the healthy paces established in 1982. Permits for almost 6,300 multifamily units, including apartments and condominiums, had been issued through September, 240% better than last year's pace. In addition, almost 4,500 single-family permits had been issued through September, more than 200% ahead of the pace set a year earlier.

The glut of residential housing has dampened the appreciation rate. The local Board of Realtors reports only a 0.2% increase in the average sales price. Apartment vacancy rates are running between 20% and 24%.

There has been little office construction this year, after two strong years. One major downtown project, Leadership Square, is nearing completion, but is 98% unleased. It is owned by a partnership that includes Metropolitan Life Insurance Co.

Meanwhile, although it is unclear whether unemployment has bottomed out in the city, there is one major indicator that the recession in the state is in a trough. The number of active oil rigs, while down 70% from the lofty levels of January, 1982, is climbing. And although no one holds out hope that the oil industry will bounce back to the levels of the late 1970s and early 1980s, analysts are saying that even a modest recovery will stabilize the state's economy.

Oklahoma City has three daily newspapers, five tv stations, 13 am and 14 fm radio stations and one cable company.

San Antonio, Tex.

Population '80	1,071,954
Rank '80	38
Est. income '82	$8,846,365,000

Attempting to create its own identity, one apart from the other Texas giants—Dallas and Houston—San Antonio is a city in transition.

Because of that, it is a community of contrasts—old renovated buildings alongside gleaming high-rise office towers and futuristic electronics manufacturing plants near an army post founded before the Civil War.

The military presence in San Antonio—five major installations within the county limits pump more than $1 billion annually in paychecks and government contracts—remains the city's economic bedrock, as it has since World War II.

Tourism is another big factor in San Antonio, partially because of all of those transient military people. More than $800 million was spent in the area in 1982, and an expansion of the city's convention center is planned. With that expansion will come an 850-room Amfac Hotel, which, when completed in 1986, should be the city's largest.

Within the last three years, business and civic leaders, headed by San Antonio's charismatic, Harvard-educated mayor, Henry Cisneros, have made strong efforts to diversify the local economy, concentrating their efforts on light manufacturing and high technology companies.

The work has borne substantial fruit. Control Data Corp., in the center city area with a plant employing 120, will expand its facilities to four buildings and 1,000 employes. Advanced Micro Devices of California opened a $60 million microprocessor manufacturing plant this year that plans to expand and employ 2,000 by 1988. Farinon Electric, Sprague Electric and Tandy Corp. all have electronics assembly facilities in the city, and Datapoint Corp., a home-grown, automated office manufacturing company, has 3,200 employes locally.

Austin, just 70 miles north of San Antonio, was chosen as the headquarters of Microelectronics and Computer Technology Corp., a research consortium of a dozen major high-tech companies. That move is expected to bring even more high-tech research and development and manufacturing operations to the corridor between the two cities.

These companies will come, Mr. Cisneros said, because of the availability of productive, nonunion labor—San Antonio's unemployment rate is under the state's, but higher than that of Austin and Dallas—and by the city's quality of life. Chase Econometrics recently projected San Antonio would be the nation's 10th fastest growing city in the next decade, almost entirely because of those two factors. Austin, helped by advanced university programs, topped the list, while Dallas ranked 26th and Houston, No. 1 two years ago, fell to 79th.

More recently, however, Mr. Cisneros and privately funded job generation groups have targeted a portion of high technology, that of biomedical manufacturing, as the source of the Alamo City's future growth and have shifted their efforts accordingly. A large public, private and military medical research base already in place is expected to smooth that new approach to economic development.

Meanwhile, general growth was slowed but not stopped by the recession. As the city enters 1984, it will find itself with an excess of office space (more than twice as much as existed in 1980), single-family detached homes (some 8,000, or a two-year supply, are now on the market) and apartment units (1983 saw an estimated 12,000 new units built, an alltime record). Developers and financial backers say they are not worried, but are now prepared for a tremendous growth expected in 1984 and 1985.

Retailers are gearing up for that growth as well. The city has five regional shopping malls scheduled for construction within the next two years, including a luxury center downtown a block from the Alamo that will feature the area's first Lord & Taylor store. Houston-based Sakowitz and Neiman-Marcus of Dallas have both announced San Antonio stores, but have not confirmed locations or opening dates. Target, a unit of Dayton-Hudson Corp., opened six local stores last April, and officials of the Minneapolis retailer promise another subsidiary, Mervyn's, will be in town by 1985 with several units.

While devaluation of the Mexican peso slowed some San Antonio expansion plans, especially for retailers, new growth generated by people and businesses fleeing Houston, Dallas and the Northeast more than picked up the slack.

San Antonio continues to have a surprisingly high total retail sales volume, approximately $5.5 billion, but a low median household income of $19,936. The city's 1.1 million population is young (median age 28.2) and largely Hispanic (54% of the population).

There are three major newspapers in San Antonio, the morning *Express* and afternoon *News*, both owned by News America Corp., and the all-day *Light*, owned by Hearst Corp. There are five tv stations representing the three major networks, the Public Broadcasting System and the Spanish International Network, and two cable tv systems—Rogers Cablesystems with 165,000 subscribers and Bexar County Cablevision with 13,000 subscribers.

Tulsa, Okla.

Population '80	657,173
Rank	63
Est. income '82	$7,295,249,000

Tulsa, at least until the summer of 1982, enjoyed a high degree of immunity to the economic ills that beset the rest of the nation. Often the city led the country with the lowest unemployment rate, despite a migration by workers seeking employment.

But that immunity was stripped away abruptly in the summer of 1982, when the prices of oil and gas began to plummet. It brought a sobering end to the widespread notion that the city's economy was not dependent on the energy industry.

Despite the slump, there continue to be underlying signs of strength, and some economic indicators point to a modest rebound.

Tulsa's unemployment rate began an almost uninterrupted climb from a low of 2.9% in August, 1981, to a post-World War II high of 10.4% in June. Most of the gains occurred beginning in the summer of 1982.

The unemployment rate has subsided to 9.4%, reflecting some improvement in the oil and gas industry, as well as an exodus of people who had sought work in the Sunbelt city.

A number of jobs, especially in the manufacturing sector, are permanently lost, according to a handful of local analysts and employers. They point to the steady decline in the durable goods sector: At the beginning of the year, that sector accounted for 55,700 of the 324,000 jobs in the metropolitan area, dropping to 41,600 in May.

The durable goods sector depends heavily on oil rig manufacturing. With a high inventory of rigs, there is little prospect of a strong recovery.

At the same time, jobs in the service sector have been growing. Until a year ago, they increased at a pace that offset the loss of manufacturing jobs.

Residential building is setting a record for the number of multifamily units (primarily apartments), and single family home construction is well ahead of last year's pace. The more than 1,500 single family permits issued through September already exceed the 1,275 issued last year.

Sales have picked up modestly, but have not been able to absorb the supply as a record number of homes are for sale in the area. The average sales price of about $73,000 is only 2.5% ahead of last year's average price. Industry experts predict a further weakening.

Retail sales are running 2% behind last year's sluggish pace. Still, Homart Development Co. opened a 55-store addition to the Woodland Hills Mall last year. The mall is one of the top performers in the Sears, Roebuck & Co. subsidiary's chain.

Several top retailers, including Sakowitz and Sanger-Harris, are entering the Tulsa market for the first time. Sanger-Harris, with a store at Woodland Hills, reports sales have exceeded projections, but gave no figures.

Sakowitz plans to open its first store in 1984, when the first phase of the $200 million Kensington Center is opened. Tulsa has two daily newspapers, 12 am and 10 fm radio stations. There is one cable service in the city.

Mountain

Albuquerque, N.M.

Population '80	419,700
Rank	100
Est. income '82	$3,715,557,000

Thanks to a jump start from the housing industry, the Albuquerque economy is moving again.

The city issued permits for 1,805 new homes through September, compared with only 695 during the same period in 1982. The local Board of Realtors estimates its members will sell about 6,400 homes in 1983 for more than $500 million, the largest volume in the 62-year history of the board. Apartment managers here report occupancy rates of 90% to 100%. Housing officials say a persistently tight rental market in the face of record-breaking housing starts and sales indicates a continued migration to Albuquerque.

The city's share of a state-sponsored $100 million low-interest home loan program virtually sold out only one week after it began Oct. 1. The legislature authorized similar programs for following years, financed by severance taxes on oil and gas and minerals.

A city-fostered housing revival in downtown Albuquerque, stalled by the recent recession, sprang to life earlier this year with the approval of a 210-unit, $5.4 million garden apartment complex in the Alvarado metropolitan redevelopment area, to be built by Dinerstein Interests of Houston. Nearby, the first eight units of the 20-home Fruit Street Townhouse project went on the market in September.

A group of investors from California and New Mexico recently bought the old Hotel Plaza near the downtown convention center, announcing plans to restore it and open its 115 rooms to visitors in 1984.

The city welcomed record numbers of visitors in 1983. In mid-October, most of the city's 10,000 hotel and motel rooms were booked as the International Arabian Horseowners Assn. gathered at the state fairgrounds, and the Aircraft Owners and Pilots Assn. met at the convention center.

During the National Collegiate Athletic Assn. basketball tournament here this year, nearby communities played hosts to travelers who could not find lodging in Albuquerque.

In retail, Albuquerque consumers bought nearly $1.6 billion in goods during the first three quarters of 1983, or 5% more than through September, 1982. Third-quarter sales rose nearly 13% higher than during the same period in 1982, an indication of increasing improvement.

According to a recent survey, the average weekly wage here has risen during the past year from $283.29 to $300.76. Average pay in Albuquerque and New Mexico still ranks low nationally, however.

Government, service industries and sales employ 72% of the 195,400 people in nonagricultural jobs in Greater Albuquerque. One in five workers is on a public payroll. Because many of the jobs here are defense-related, the city is vulnerable to cyclical downturns of the defense industry. Manufacturing accounts for only 9% of the workforce.

The Albuquerque Industrial Development Service, an arm of the chamber of commerce, has worked to ease the city's dependence on government jobs by attracting several clean, electronics-based industries to Albuquerque in recent years.

Among them is GTE Network Systems, which employs more than 1,000. GTE produces advanced electronic communications devices here and has just started fiber optic research, development and production in its Albuquerque plant.

Sperry Flight Systems has 1,000 employes, up from 730 in January. Sperry has announced plans to eventually triple its labor force here. The company just finished a 180,000-sq.-ft. expansion of its Albuquerque plant, and should begin working next spring on another 175,000-sq.-ft. addition.

Signetics, a maker of computer chips, started production in its new Albuquerque plant in July. Signetics employs 403 and should hire another 200 by the end of 1984.

Intel Inc. should begin producing computer chips during the first quarter of 1984 in its new Rio Rancho plant on the outskirts of Albuquerque, company officials said. Intel employs 350, and should have from 750 to 900 employes here by the end of 1984.

DeVore Aviation announced in October it will build a 100,000-sq.-ft. plant here to produce its new single-engine airplane, eventually employing 400 people to build 1,000 aircraft a year. Pulse Systems will lease property this year in Albuquerque to begin producing gas lasers.

In July, the Albuquerque City Council established an $8.2 million urban enhancement fund, the earnings of which are to be spent on a variety of projects ranging from landscaping along roadways to supporting the symphony orchestra.

City officials expect federal approval early next year for a foreign trade zone in Albuquerque, offering customs and tax advantages to exporters and importers as an incentive to store goods and operate businesses here.

Pacific Southwest Airlines and Delta Airlines began operating at Albuquerque International Airport this year, and America West, a regional carrier, will begin in December. Total passenger operations at the airport through September were up 18.7% from 1982.

The city has two daily newspapers; in tv, it has three network affiliates, two independents and one public broadcasting station. A vhf station is due to start broadcasting from Santa Fe this year. Albuquerque has 12 am and 11 fm radio stations, as well as one cable tv service.

Meanwhile, the first issue of *Albuquerque Living*, a city monthly published by Starline Creative Printing, hit the newsstands in November. Worldwide Corp. and Accent West have announced tentative plans to start publishing monthly city magazines later this year.

Denver, Colo.

Population '80	1,428,836
Rank	27
Est. income '82	$16,865,657,000

Although the recession of 1981 took its toll throughout Colorado, many other states would probably envy the consistently below-average jobless rates found here. Furthermore, the state and its major metropolitan area, Denver, both have emerged with strong prospects for growth.

Energy, once the prime mover for growth in Colorado, is still in the doldrums, with relatively lower prices meaning lower income for the state's energy interest. However, gains are being logged in other areas, notably in areas such as service industries and retailing. Manufacturing is growing as well, particularly in the high-tech companies that have adopted the Boulder-Denver area as their base.

"We look at 1984 with a high degree of optimism," said Tucker Hart Adams, chief economist with United Banks of Colorado, one of the state's major multibank holding companies. "The nation, mountain region and Colorado will experience a stabilizing economy with both the business and private sectors benefitting from a continuing recovery."

American Segments, IX

Airports: Coming and going

Metro areas with the busiest airports, 1982

		Airport	Passengers
1	Chicago	O'Hare	37,743,598
2	Atlanta	Hartsfield	34,702,494
3	Los Angeles	Los Angeles	32,383,105
4	New York	JFK	26,452,508
5	Dallas	D/FW	24,726,741
6	Denver	Stapleton	24,553,249
7	San Francisco	San Francisco	21,028,788
8	Miami	Miami	19,387,619
9	New York	La Guardia	18,516,891
10	Boston	Logan	15,867,722

Source: Air Transport Assn., Washington

Other states may have looked longingly at Colorado's experience of the recession. Unemployment stayed about two to three percentage points lower than the national rate and is expected to decline steadily through 1984 and 1985. Even with relatively high joblessness in 1982 and 1983, the state's high-tech entrepreneurs continued building their companies.

Currently, some 750 companies fall into the high-tech category, according to researchers at the University of Colorado. Ranging from small shops to one home-grown *Fortune* 500 company, Storage Technology Corp., most are clustered in the Boulder-Denver area. State political leaders, notably Gov. Richard D. Lamm, expect more growth in the high-tech sector and are working to foster it with academic programs designed to make the state more attractive to both engineers and their employers.

However, real estate in the downtown area has been depressed, with office towers going vacant and lease arrangements marked by generous concessions. Oxford-AnsCo Development Co. delayed the fall opening of the Republic Plaza, downtown Denver's tallest high rise at 56 stories, until March, 1984. It stretched out construction work on the building because less than 10% of it was leased.

Overbuilding, which rapidly changed the downtown Denver skyline in the last two years, has been blamed

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for the delays. However, the collapse of the energy boom has been primarily at fault for the office construction downturn. Energy companies that use Denver as a base for the oil-rich areas in Colorado and Wyoming no longer need the amount of office space once projected for them.

Additionally, plans recently fell through for a major convention center at the city's railroad station to replace facilities considered inadequate for big-time conventions. The property, however, is said to be ripe for development if terms can be met.

One company braving the real estate development difficulties is the Tabor Group, a partnership headed by Williams Realty Developments, Tulsa. The group, which involves the ubiquitous Rouse Co., is constructing the $260 million Tabor Center, that will be the city's biggest office-hotel-retailing complex.

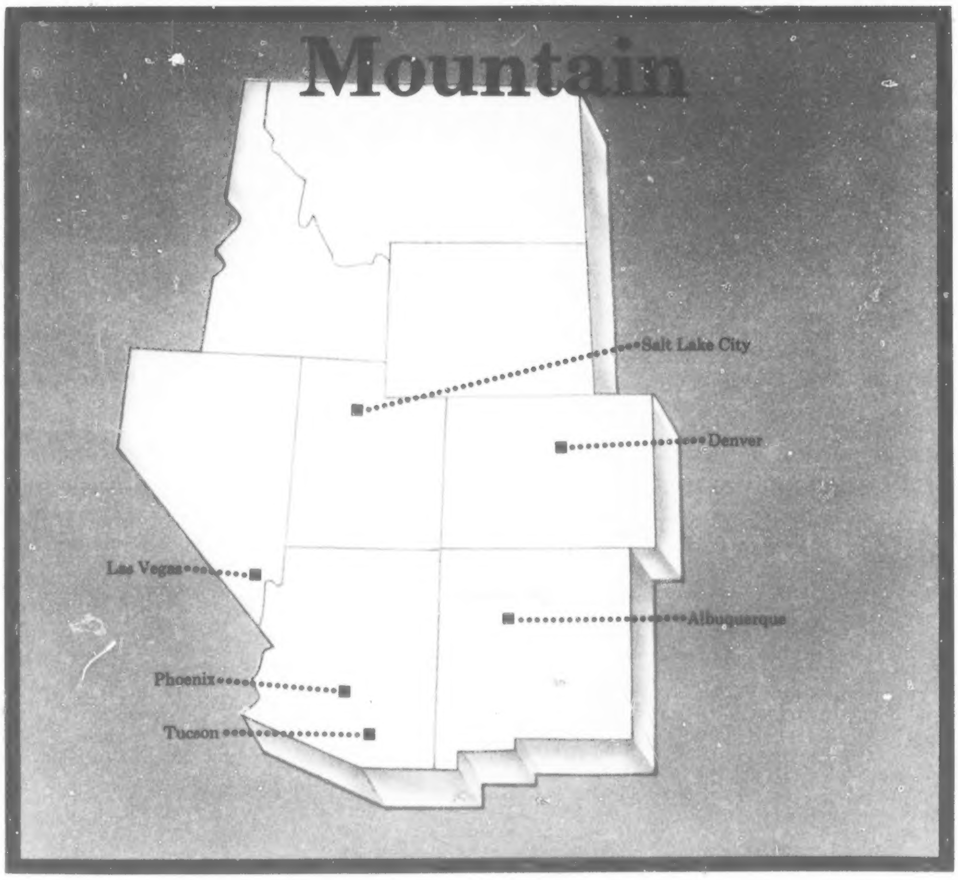
Scheduled for completion in mid-1985, the center will grace the end of the one-year-old 16th Street Mall, a mile-long retailing strip in the center of downtown Denver.

Mr. Adams, the United Banks economist, said he expects nonresidential construction to continue slumping generally, while other areas that have remained strong are expected to continue doing so. Mr. Adams said the state's "diversification" has been the key to its weathering the recession well and will continue to be its strong suit.

Population growth slowed substantially in 1982 after a decade of sharp increases, while Mr. Adams forecasts that 1984's growth will amount to about 2%. He expects continued steady growth, somewhat less than the 2.7% annual average population boom of the 1970s.

With the expected growth will come more inflation, which has stayed above the national average consistently since about 1977. Two percentage points above the national rate is the expected pattern, yielding an inflation rate of 6% in 1983 and 7% in 1984. Personal income, however, is expected to grow by nearly 10% in 1984, assuring consumers more disposable income.

Retail trade in the Denver area is expected to grow nearly 9% in 1984, reaching $1.6 billion out of total personal income of about $3.4 billion.



Ski industry officials said they had a record year in the 1982-83 season, and barring snowlessness, expect more of the same in 1983-84 with the national recovery freeing up tourist dollars. Over 8 million lift tickets were sold and skier expenditures were up 7.2% in the 1982-83 season. Ski resorts, although located outside the Denver-Boulder area, bring revenue into the city through visitors who stop in Denver.

The Denver-Boulder area is served by two strong daily papers, the *Rocky Mountain News* and the *Denver Post*, approximately 30 radio stations and seven tv stations. Construction of a cable tv system is under way in Denver proper, while suburban areas have long had cable systems.

Las Vegas, Nev.

Population '80	463,087
Rank	90
Est. income '82	$4,782,445,000

It used to be a piece of cake to grow in Las Vegas. But these days it has become a real marketing challenge.

Las Vegas in the 1960s and 1970s, before competition from Atlantic City, was like the motion picture business in the 1940s and 1950s before tv. The market used to consistently have 12% to 20% annual growth rates. The average was 16%.

Anybody, seemingly, could open a store, put in some slots and some crap tables and make money. But the market matured in the last three years. Some 4,000 new hotel rooms came into being and the timing couldn't have been worse. It isn't only Atlantic City. There's also the recession, higher air fares and the devaluation of the Mexican peso (high rollers from Mexico are important to Las Vegas).

The moaning and groaning now being heard in Las Vegas appears to be coming mostly from people who rode the crest of the constantly expanding market in past years and who didn't have to do any kind of marketing and advertising to grow.

"What's happening," said Howard Anderson, former public relations and marketing director with Howard Hughes' Summa hotels organization in Las Vegas, "is that the children are getting off the street. We're talking about the people who are blaming everybody else but themselves for not being aggressive marketers."

According to Mr. Anderson, now president and owner of KRXV Inc., which operates two fm radio stations covering 200 miles of the highway across the desert leading into Las Vegas, it used to be that hotels and casinos in the market relied almost exclusively on newspaper publicity for attracting visitors. "A flack," as Mr. Anderson refers to this person, "took pictures of some bimbo out by the pool and wrote a caption about it being 80 degrees in Las Vegas before sending the picture to Des Moines, Ia., where it was 30 below."

In Mr. Anderson's opinion, that's what passed for marketing in the pre-Atlantic City days. Now, he said, marketing sophistication has come to town.

Properties that have professional marketing people in charge appear to be doing very well. The Las Vegas Hilton and Flamingo Hilton, for example, reportedly contribute nearly 50% of the total profit of the Hilton chain.

Today's marketing doesn't fight Atlantic City; instead efforts are made to tie-in with what are sister operations there. Las Vegas is being positioned as an economical place to vacation, offering more than just gambling. "Brand name fun at generic prices" is one of the advertising themes.

Promotion, publicity and merchandising are all combined to constantly push special events, some of them slightly exotic. The Tropicana, for instance, a Ramada resort and casino, last month was host of the final race of the 1983 U.S. National Championship Gas Balloon series. And, of course, it was a cross promotion with the Tropicana in New Jersey, with the helium gas ballon race beginning on the Tropicana's golf course in Las Vegas and finishing on the Atlantic City boardwalk.

The Tropicana also has scheduled a $1 million Craps Tournament for the summer of 1984, billed as the richest gaming tournament in the world. No more is there only a "flack" taking pictures at pool side. The Tropicana, typically these days, has a special events and promotions director and a separate tournament director in addition to a public relations and marketing staff.

Competition from Atlantic City can't be ignored. The trend towards the East Coast gambling center is undeniable and may be irrevocable.

Las Vegas had 11.6 million visitors last year. But Atlantic City is anticipating 27 million people this year.

Las Vegas is expecting $1.9 billion in gross gambling revenues in 1983. Atlantic City should be only a tick behind, with a $1.8 billion total.

It's not that Las Vegas is going backwards. It's just that Atlantic City, with an estimated 50 million people in close to it, is gradually overtaking Las Vegas as the gambling mecca of America.

There have been recent bankruptcies, the Riviera and Aladdin hotels among them. Previously, about 12% of people visiting Las Vegas came from the East Coast. The estimate now is that Las Vegas has lost about 7% of these people to Atlantic City.

Southern California is being called upon to make up the slack. Howard Anderson's KRXV organization claims that some 28 million people travel Interstate Hwys. 15 and 40 each year between Los Angeles and Las Vegas. The area within 400 miles of Las Vegas, which had been generating about 34% of the market four years ago, is now accounting for 48% of Las Vegas' growth. Marketing to Southern California has become much more ag-

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Grand Forks reads like Anyplace U.S.A.

By Janna Q. Anderson

Earl King is the monarch of magazine sales in one of the smallest markets in the country—Grand Forks, N.D. He has a few thoughts about what the folks in these parts read.

Situated on the North Dakota-Minnesota border, about a one-hour drive from Canada, Grand Forks is home for about 39,000 hardy midwesterners. The second-largest city in the state, it's the center of activity for the University of North Dakota, a nearby U.S. Air Force base (which holds much of this nation's nuclear strike potential), and farm folk from miles around.

Mr. King, who declines to give his age, has been in the magazine distribution business in this area since 1937. He began as a distribution clerk, took three years off to fight in World War II, then returned to sales. He worked his way up, saved his money and 10 years ago he bought out the business, renaming it King News Inc.

His company delivers magazines to vendors across the northeastern edge of North Dakota and the northwestern corner of Minnesota. He also has a retail store about 10 blocks away from downtown Grand Forks.

When you ask Mr. King about the evolution of the magazine market since the 1930s, he'll tell you straight out, "It changes every day."

"A couple of the big things that have changed, though, are prices and the adult magazines," he says. "Prices have gone up so much. *Woman's Day* and *Ladies' Home Journal* sold for 15 cents once. Now they're up to 75 or 79 cents. And when the adult magazines—*Playboy*, *Penthouse*, that type—came in, they slowly took over the sales lead."

According to Mr. King, readers in Grand Forks and the surrounding small towns are reading *People*, *TV Guide*, *Cosmopolitan*, *Good Housekeeping*, *Ladies' Home Journal* and *National Enquirer*. "They're the other top sellers," he says. "Sales used to be more seasonal years ago. More would sell than in the slow winter months, with fewer selling in spring and summer because of all the work to be done on the farms. Now it's leveled off.

"Despite what some people might guess, I'd say folks around here are pretty average magazine readers. What they read is no different from other parts of the country."

Others tend to agree with Mr. King's assessment.

Felicia McCann is magazine and accessories buyer for the 690-store B. Dalton Bookseller chain, based in Minneapolis. She decides what its stores in 48 of the 50 states will sell.

"B. Dalton brings in quite a bit of profit from its magazine sales," she says. "We have a list of 100 titles that each store must stock. In addition, we put out a list of titles the individual stores may choose from to fill out their racks. Generally, each store carries about 200 titles.

"We're constantly reviewing magazines to see if they'll fit the demographics of our customers. We decide on a title-by-title basis what to put on the lists. The sex, age, income level and education of most of our customers is pretty much the same. They're people who want to buy books—their needs tend to be specialized and they have specific ideas about what they want to buy."

According to Ms. McCann, the people who buy magazines at B. Dalton are men and women with some college background. *Playboy*, *Penthouse* and *Architectural Digest* are some of the chain's top sellers. "I wouldn't say there's not much difference at all between readers in a metropolitan market like Minneapolis and a smaller market like Grand Forks," she says. "The only thing may be nuances—*Glamour* and *Vogue* will sell better in a metro area, while *Family Circle* and Woman's Day will be bigger in a small city."

Mr. King says *National Enquirer*, *Good Housekeeping*, *People* and *TV Guide* sell best at Grand Forks grocery and convenience stores. Generally, the demographics at these places are lower in education and income.

The B. Dalton outlet in Grand Forks is located in the city's big new Columbia Mall. Manager Brenda Metcalf says the top sellers there are *Cosmopolitan*, *Playboy*, *Penthouse*, *TV Guide*, *People*, *Glamour*, *Mademoiselle*, *Woman's Day* and *Ladies' Home Journal*.

"The news magazines don't sell as well as the entertainment, adult and women's titles," she says. "It depends quite a lot on what's on the cover. During the week of the Grenada invasion and the Beirut bombing, we returned a number of copies of *Newsweek* and *Time*. If Princess Grace was on the cover, they may have sold out.

"We try to carry something for everyone, with a lot of decorating, sports, children's and art magazines. I do order every computer magazine I can get—only a few copies each of all the titles. Art magazines sell really well. *Architectural Digest*, *Art Digest*, *American Film* and *Western Art* are just some of the titles you'd think might not sell well, but they do. We also have political journals like *National Review* and *Foreign Relations*. We only get a few copies of these to sell, but they sell steadily.

"No one age group can be pegged as buying the most magazines, and it seems to be both men and women who are interested. I'd say the public's taste in magazine selection in Grand Forks is pretty much like anywhere else."

It seems about the only thing changing on the magazine scene in this corner of the world today is rack sales.

"They're always on the rise," says Earl King. "Every year they steadily increase. Business is good. So, even though I'm past retirement age, I'm sticking with work. I'm not in any hurry to sit home and watch soap operas all day." AA

Janna Q. Anderson is the travel/entertainment editor of the Forum, *a daily newspaper in Fargo, N.D.*

gressive.

What Las Vegas has over Atlantic City is hotel rooms, by a more than six to one margin. The current count for Atlantic City is about 8,000 hotel and motel rooms, compared with more than 50,000 for Las Vegas.

Hotel rooms mean conventions. In October, the best October in two years for Las Vegas, 63 conventions were held, attracting more than 90,000 delegates. They were estimated to have pumped some $60 million into the local economy.

That's only one of the upbeat notes. Another is a forecast by Chase Econometrics, a subsidiary of Chase Manhattan Bank, figuring Las Vegas as among the country's 10 fastest growing cities of the 1980s (in terms of employment growth).

Five tv stations serve the market, including KVVU-TV, a nonnetwork affiliated station 30% owned by Johnny Carson. There also are three network affiliates and a PBS station.

On the radio side, Las Vegas is about a 20 station market. Daily newspapers are the *Review-Journal*, *Valley Times* and *Sun*.

Phoenix, Ariz.

Population '80 .... 1,50[illegible],052
Rank 25
Est. income '82 .... $15,232,668,000

Phoenix is rapidly becoming one of the high-tech centers of the Southwest and the nation. It's also getting big and occasionally smoggy.

It is estimated that more than 79% of all electronics, computer and aerospace companies in Arizona are in the Phoenix market.

Phoenix has come a long way—fast—since the days some 40 years ago when youngsters rode to school in Tempe and other parts of the market on horses. It wasn't quite that long ago that the area seemed the Dust Bowl of the West and a place to stop on the way to California.

No more. Most of the people who have come here and made the market grow are *from* California. Next in order are newcomers from Illinois, New York and Ohio. They might no longer be recognizable as they start attending rodeos, a favorite sport in Phoenix. Mercedes, Porsches and other exotic pieces of machinery are parked side by side with giant-wheeled pickups in the parking lots of elegant shopping malls and restaurants as well as the half-dozen ride-'em-cowboy arenas in and around the market.

In its rise from the "arid zone," which historians in Phoenix say is a misconception about the name "Arizona" (contending it's an Indian and not a Spanish name), Phoenix has become one of the major western manufacturing and commercial centers.

Among the companies that have relocated their headquarters, started from scratch, or shifted major western facilities to Phoenix: Amerco (U-Haul), American Express (western regional card division), Circle K Food Stores (a 7-Eleven rival), Motorola's semiconductor group, Siemens components group, Sperry Avionics and flight systems divisions, Honeywell information systems and process control divisions, and Goodyear Aerospace.

There are dozens more, including the startup this year of Phoenix-based America West Airlines, which recently began service to midwestern and Canadian destinations, in addition to California and Southwest service. Greyhound Corp. and its Armour units were earlier arrivals.

Further, the region that surrounds and feeds into Phoenix isn't "arid" anymore. Agriculture ranks third behind manufacturing and tourism among the state's major industries (nearly all of them closely related to Phoenix interests in one way or another), and it is moving up fast. Arizona just recently obtained federal rights to a large share of Colorado River water that had been going to California.

But high-tech industries and their growth has been the main story in the Phoenix market. The influx of middle-and-upper-income high-tech personnel has had a significant effect on increased retail sales and new housing.

While nationally the housing industry suffered, Phoenix showed its first annual housing start increase in five years in 1982. According to *Arizona Republic* and *Phoenix Gazette* researchers, high-tech industries played a major role in a manufacturing output increase from $3.6 billion in 1979 to $5 billion in 1982.

Electronics, computers and aerospace account for some 42% of the market's manufacturing work force. The fastest rate of growth was in the computer sector, but the highest volume of manufacturing shipments came from electronics.

High-tech industries accounted for 32% of the value of all manufacturing shipments out of the Phoenix market in 1980 and was expected to continue on the increase. By comparison, high-tech products accounted for only 6% of the value of all manufacturing shipments nationally in 1980.

By 1990, according to the *Republic* and *Gazette's* projections, the annual direct economic impact of high-tech manufacturing on the market will reach $3.8 billion, a 140% increase over a 10-year period.

Phoenix is regarded as one of the fastest growing markets for employment in the U.S., and it was in the computer electronics and aerospace industries that close to 14,000 new jobs were created just at the beginning of the boom—from 1970 to 1980.

The average age in the Phoenix market is 29.5, relatively low considering it has a retirement population of 224,000. This group accounts for 22% of households in the market, and the area's retired persons couldn't be considered low income. Eighty-five per cent of Phoenix retirees own their own homes, and 14% have second homes in the state or elsewhere.

The large retired population also accounts in part for the development of Phoenix as a regional and national healthcare center. The healthcare industry in the market has more than 40,000 employes in 29 hospitals and related healthcare facilities.

If the Phoenix market has a couple of shortcoming amidst all the "growth" figures and projections, it's the area's sweltering summer heat and perceived lack of cultural attractons. *Republic* columnist Tom Fitzpatrick has complained of a lack of entertainment, but evidence to the contrary is beginning to accumulate. His own newspaper started a free entertainment weekly in October that has been running 40-plus pages of events and entertainment listings, plus ads and features on local and visiting show business and arts personalities. The weekly, *City Life*, was started to check competition from *New Times*, an already successful free weekly that focuses much of its attention on arts and entertainment in the market.

The market has seven daily newspapers, eight tv stations, 37 radio stations, two business publications, four locally edited magazines and three outdoor companies, as well as cable services in Phoenix and its suburbs.

Salt Lake City-Ogden, Utah

Population '80 910,222
Rank 48
Est. income '82 .... $7,712,134,000

A relatively young community, Salt Lake City dates to 1847, when Brigham Young led a tired band of pioneers to the valley between Great Salt Lake and the Wasatch Mountains. It was the place, he declared, where they could reach twin goals of prosperity and isolation.

Descendants of those first settlers have significantly fulfilled the prosperity part of the prophecy, but it has come at the expense of isolation. The Salt Lake City/Ogden market today is booming—largely because what was once ox-wagon remote has become jet-age centrality.

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CLEVELAND MAGAZINE
COLUMBUS MONTHLY
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COUNTRY MAGAZINE
D MAGAZINE
DENVER MAGAZINE
HONOLULU MAGAZINE
HOUSTON CITY MAGAZINE
INDIANAPOLIS MONTHLY
LOUISIANA LIFE
MEMPHIS MAGAZINE
MIAMI MAGAZINE
MPLS. ST. PAUL
MONTHLY DETROIT
NASHVILLE MAGAZINE
NEW JERSEY MONTHLY
NEW MEXICO MAGAZINE
OREGON MAGAZINE
PHILADELPHIA MAGAZINE
PHOENIX MAGAZINE
PITTSBURGH MAGAZINE
SAN FRANCISCO FOCUS
ST. LOUIS MAGAZINE
TEXAS MONTHLY

the Salt Lake/Ogden metro area was the ninth fastest-growing in the country. Estimates are that the area grew 9.2% from 1980 to 1983.

Companies such as American Express Travelers Cheques division and Sinclair Oil have established headquarters in the city. To house the accompanying newcomers, the city has had an unprecedented commercial building boom. Attractions for the newcomers include a favorable tax base, which in part allows tax-free warehousing of goods destined elsewhere; a stable, well educated work force; central location, and an intangible but attractive "quality of life."

No fewer than 14 major development projects are either under way or recently completed. A flood of Saudi Arabian capital is spearheading construction of the Triad Center near the city center, as well as the International Center near the expanding airport.

The first Triad Center tenant, scheduled for early next year, will be the many units of Bonneville Broadcasting, the Mormon Church-owned broadcasting giant, which counts KSL tv and radio stations among its family. When completed in 1992, the Triad Center is expected to cover 26 acres, cost nearly $500 million and house businesses, offices and residential units in a complex including a 40-story tower—the city's tallest structure.

Newcomers already in place on the city skyline are the Marriott and Sheraton hotels, to be joined soon by a 24-floor Ramada Renaissance hotel. The Salt Palace, a community sports and convention facility, recently expanded and renovated itself, and other downtown construction includes a new Symphony Hall and a renovated home for the local ballet troupe.

Other high-rise office complexes have also opened recently or are under construction throughout the valley. At least for the present, a minor glut of commercial space exists, resulting in some of the least expensive rental rates anywhere in the nation.

Population growth has brought about renewed retail activity, and the Salt Lake/Ogden area now houses 11 regional shopping malls. Four of those have opened since 1980, and three are located in the heart of the city—two in Salt Lake and one in Ogden.

And while the population has shown steady growth, it has also managed to stay busy. During July, while the nation as a whole was celebrating a drop from double-digit unemployment to a 9.5% rate, Salt Lake's jobless rate had dipped to 7.7%

The decision by Western Airlines to make the Salt Lake City International Airport, the major hub for its system, has brought about major changes in the air transportation picture. The airport recently opened an additional concourse and equipped all gates with climatized second-level loading bridges (made in Ogden). In addition, plans call for the construction of a fourth terminal.

Figures for June, 1983, revealed that passenger counts were up an impressive 16% from the previous year, while air freight tonnage increased a whopping 73%.

Of course, there are blemishes. Utah's wage scale is below the national average, as is per-capita income. Those figures may be tempered somewhat by the above-average family size and large number of youth in the state.

Utah continues to lead the nation in the number of bankruptcy filings. Chapter 11 reorganizational petitions increased nearly 50% in the first six months of 1983, compared with the previous year, and Chapter 13 personal filings were up 63%.

Still, besides the increased commercial activity, there are many areas of optimism for the local economy. Utah's mineral and energy reserves—primarily low-sulfur coal—are a potential windfall. Pacts are being drawn to ship huge quantities to the Orient, a move that would boost the mines and railroads of the region.

Tourism and recreation will continue to expand in the near future. World-class ski resorts are located just outside the city, and the accessibility is a big plus to sportsmen. At least three major resorts are being developed, and others are being expanded and enlarged.

Three vhf tv stations cover the network spectrum, while an independent uhf also shows respectable numbers. A construction permit has been awarded by the Federal Communications Commission for another station. Salt Lake/Ogden is also something of a rarity by having two noncommercial stations broadcasting—both vhf.

Through a system of translators, relays and cable, Salt Lake tv and radio signals are distributed throughout Utah and into sizable portions of six surrounding states. The Salt Lake area of dominant influence is geographically the largest in the nation.

Three daily newspapers—two in Salt Lake and one in Ogden—serve the metro area.

Tucson, Ariz.

Population '80	531,443
Rank	78
Est. income '82	$4,966,356,000

Like other Sunbelt markets, Tucson is spreading out as it grows. The market takes in all of Pima County in southern Arizona and covers 9.240 sq. miles. It has more than 90 shopping centers, with several more in the works.

To be sure, much of that territory is agricultural land or empty space, populated mainly by desert plants that bloom gloriously in the spring. They had plenty of water this past fall, as sudden record rains washed out several outlying communities and cut Tucson off from its main trading partner, Phoenix. But local officials say the September/October storms won't have any lasting effect on the economy.

"It was just a freak thing that didn't affect many people at all in the main part of the market," said Steve Vierck, manager of urban affairs for the Tucson Metropolitan Chamber of Commerce. While that comment wouldn't go over too well with families whose homes were nearly buried in mud (and not all of it occurred in Pima County), it is backed up by other government and business sources. They of course do not want to see Tucson lose its momentum as one of the Southwest's fastest-growing markets.

The population of Tucson has grown 31% since 1975, and the market is carving its own place in the Sunbelt with an influx of relocating companies and new ones springing up, mainly in electronics and high-tech areas. The market is also a popular retirement destination, with most of the newcomers arriving from California and Michigan. An estimated 25% to 35% of the market is "retired households," according to a survey by Tucson Newspapers Inc. and the Valley National Bank of Arizona.

There is also a large college market within the Tucson MSA boundaries. Enrollment is averaging close to 55,000 at the University of Arizona and Pima Community College.

With the bulk of the market's population—working people—sandwiched in between, the median age of the Tucson market comes out to 29.7, according to the newspaper and bank survey.

The survey also indicates that Tucson folk are spending less time shopping in Phoenix—about two hours northwest of Tucson—and instead are finding what they want in Tucson. Retail sales in the market were $735,000 in 1970, $2.2 billion in 1979 and $2.45 billion in 1980. Retail sales for 1985 are projected at $5.1 billion.

The U.S. government is the largest employer, with Ft. Huachuca, an Army base, leading in employment (11,065). The University of Arizona comes next, with 9,078 employes as of 1982, and Davis-Monthan Air Force Base is listed third with 7,125 employes. Two other local and national government employers—Tucson Unified School District and U.S. government civilian branches—follow. The market is heavily institution-oriented in employment, though local leaders tend to play down the military influence on the market while stressing industrial growth.

Magna Copper Co., Phelps Dodge Corp. and International Business Machines Corp. are the three commercial entities appearing in the top 10 of Tucson employers, and Magna's appearance should come as no surprise. Mining is one of the main civilian industries in the market. According to the U.S. Department of Interior's Bureau of Mines, 10 of the 15 leading copper mines in the U.S. are located in Arizona, and four of those, including Magna and Phelps Dodge Corp., operate extensively in Pima County, the Tucson market. Falling copper prices, however, have resulted in a drop of production value from a record high of $915 million in 1979 to $869 million in 1980. But that 1980 level was still 46% higher than the 1978 level.

Tourism was off slightly to about $700 million in transportation, lodging, food and other expenditures during 1980-81, according to estimates. This was blamed on the general economy. There was also, more recently, blame placed on the effect of the Mexican peso devaluation, which kept normally robust Mexican visitors and consumers at home. They still have easy access to the Tucson market from the interior of Mexico via Aeromexico, which chose Tucson as its Arizona destination during the 1960s.

The market has four daily newspapers (if you include the University of Arizona's *Daily Wildcat* and the legal Daily Reporter), seven tv stations, and 12 am and six fm radio stations.

Pacific

Anaheim-Santa Ana, Cal.

Population '80	1,932,709
Rank	15
Est. income '82	$29,158,500,000

The optimistic economic outlook in the Anaheim-Santa Ana-Garden Grove market, as expressed by the business leaders of Orange County early this year, appears to have been well founded. The recession has begun to fade, leaving this burgeoning market with such problems as congested transportation, inadequate airport facilities and high unemployment, which is still the lowest in California.

While unemployment reached 10.8% nationally and 11.1% for the rest of the state, Orange County's high thus far has been 8%, evidence that it made its way through the recession with relative ease.

And the market's economy is probably healthier than the national average, thanks to the great diversity of businesses located here. Many of them are new high-technology plants that are undermining the dominance of aerospace industries, which provided 36% of all manufacturing employment in 1982. Computer companies expanded payrolls by 63% in the latter half of the 1970s, a pattern followed by communications and electronic equipment makers. It is estimated that Orange County will receive about $13 billion in defense and aerospace-related federal contracts in 1983.

There are more than 500 electronics companies in the market, one of the eight biggest concentrations of such plants in the country. Radio and tv equipment led manufactures in 1981, followed by computer equipment, oil field machinery, aircraft equipment and nonelectrical components. Japanese plants, including Toshiba, Mitsubishi, Yamaha USA and Ricoh, have opened in recent years.

Top employers in the market include Hughes Aircraft with 13,600 employes, Rockwell International (10,000), Pacific Telephone (8,000), McDonnell Douglas Astronautics (5,600), Beckman Instruments (5,385), Disneyland (5,000), Fluor Corp. (5,000) and Smith Tool (5,000).

Although Orange County is not home base for any of the major energy-producing companies, three of the market's largest corporations—Baker International ($2.5 billion in revenues), Smith International ($1.2 billion) and Varco International ($100 million)—all depend on oil exploration as an outlet for their goods and services.

Migration into the area continues, but at a slower pace as newcomers are met by out-of-reach housing prices. Average price of a new home is about $260,000 and that of a resale about $135,000. The Economic Development Corp. has all but stopped soliciting new business to the area, yet new endeavors continue to move in.

Santa Ana, the county seat and second largest city in the market behind Anaheim, is making a massive effort to upgrade a somewhat worn image with the development of a new $14 million world trade center, a multimodal transportation center, and a refurbishing of many of the existing old buildings around town. The transportation center will be a main station for both Amtrak and the new high-speed "bullet train," which is scheduled to travel between San Diego and Los Angeles starting in 1988.

The recent opening of the new world trade center emphasizes developers' aims of becoming a major force in international trade. More than 25% of the businesses in Orange County are reportedly involved in foreign trade, with one out of seven local jobs dependent on it.

Elsewhere, executives at John Wayne Airport are preparing a 20-year master plan with an environmental impact study that forecasts annual increase in airport traffic from 2.6 million passengers today to 6.1 million and then on to a peak of 8.1 passengers per year. But the airport's 905 acres are already congested and lack land for expansion.

Costa Mesa's South Coast Plaza is said to be the largest regional shopping center in the U.S. and contains such prestigious department stores as Neiman-Marcus, which has chosen the plaza and the Newport Center/Fashion Island in Newport Beach as the site of its West Coast stores.

Tourism is another big plus for Orange County's economy. Home of Disneyland, Knott's Berry Farm, the California Angels and the Los Angeles Rams, the area offers varied sports and entertainment. Expansion projects were recently completed at the area's theme parks, as well as at the Anaheim Convention Center, where new hotels are rising and on the drawing boards to handle increased visitor traffic. A record-breaking 160 conventions and 720,000 convention delegates are expected to use the facilities this year.

In addition to the spillover coverage by the major metropolitan daily newspapers in neighboring Los Angeles County, the area has four major dailies, 20 independent weeklies and another 30 weeklies published by chain newspaper operations. There are also numerous other ethnic, student and business publications; two am and seven fm radio stations; three tv stations and eight cable services.

Fresno, Cal.

Population '80	514,621
Rank	84
Est. income '82	$5,426,369,000

To most Californians, Fresno, located just about halfway between Los Angeles and San Francisco, has been the state's outback. But although it is located in the most productive agricultural county in the world, according to the local chamber of commerce, it is shedding its farm image and taking on a boom town look.

According to a new report by the National Planning Assn., Fresno County is among the five California counties expected to see the "most growth in the absolute number of jobs" by the year 2000. And the economic upturn is already taking effect.

In August, Macy's opened a $28 million department store in a Fresno shopping mall and of the 500 employes, all but 35 were hired from the local area. *Fresno Bee* business editor Ted Reed said the new store is probably the most significant business event for Fresno in 1983.

"What it did was elevate the level of mass marketing because of the Macy's image," Mr. Reed says.

According to Mr. Reed, the location of Macy's in a shopping mall away from the downtown was a sore point in the store's development. The city council and chamber of commerce had wanted the new store to locate in the downtown area, but Macy's planners were adamant that the mall was more suitable.

"County services and other offices are located downtown, but shopping has gone to the malls," says Mr. Reed, pointing to a lack of development in the downtown area.

In October, a $20 million 322-room Centre Plaza Holiday Inn was opened, bringing in an additional 400 jobs. Other hotels in the city saw a strong increase in business. The 167-room Ramada Inn had an occupancy rate of about 93% during the summer, compared with 78% the summer before.

Fresno is the only city in the United States within a two-hour drive to three national parks. With Yosemite's natural wonders only 94 miles away and Kings Canyon and Sequoia National Parks within easy driving distance, it has become a stopover for travelers from throughout the state.

One sour note for Fresno was that after years of being one of the top five test markets in the nation, it was dropped altogether from the influential Dancer Fitzgerald Sample test market list in 1983.

Mike Robbins, account executive with Theilen & Associates, one of the major ad agencies in town, says that because Fresno has been geographically isolated, with a minimal media spillage from San Francisco or Los Angeles, it has been used to test everything from cigarets to detergents. The reason given for its elimination as a test market, says Mr. Robbins, was that media rates were not consistent with the rest of the country. In particular, Fresno's tv ad rates were allegedly higher than similar markets elsewhere in the country.

Fresno's financial base is the multibillion-dollar agricultural industry, including cotton, almonds, rice, wheat, grapes, citrus fruit and cattle. But California's harsh 1982 and 1983 winters took their toll on many of these industries.

Late plantings and crop destruction from record rains resulted in losses estimated at between $275 million to $300 million, according to the state's Department of Food and Agriculture. And when the agricultural industry hurts, jobs hurt, with youth and minorities particularly hard hit.

The region does have a large minority population, with 30% of the people having Hispanic surnames. The Fresno area of dominant influence has the 11th largest Hispanic community in the U.S., according to Strategy Research Corp., Miami.

The warm Mediterranean climate that Fresno offers and its closeness to mountains and lakes have made participatory sports and activities a large part of community life. Fresno has a symphony, several theaters, one of the most progressive zoos in the state, an arts center and a new Metropolitan Museum of Art, Science and Natural History.

The market is served by two major

daily papers, the *Fresno Bee* and the *Clovis Independent.* There are three network tv affiliates, a SIN International Network Spanish affiliate and several independent tv stations. It has 21 radio stations, including 10 am signals.

Honolulu, Hawaii

Population '80	762,565
Rank	56
Est. income '82	$8,094,301,000

If you grew up in Honolulu in the 1960s, you were sure to come across old 45 rpm discs bearing the label of "49th State Records." The local company that put them out had jumped the gun a bit.

Through some adroit political machinations, Hawaii's nonvoting congressional delegation overcame opposition by choosing to let Alaska go first when the question of statehood came up for consideration in 1958.

Such was the genesis of Hawaii's becoming the 50th, not the 49th, state in the union in March, 1959.

That was nearly 25 years ago, when Honolulu—the island of Oahu, really—was more or less a sleepy tropical metropolis, though one filled with the potential that would transform it into a vibrant and alluring urban phenomenon.

It has been alluring enough for Honolulu's population to grow by more than 250,000 in the years since. Currently, the Honolulu market area accounts for about 80% of the state's population.

As Hawaii steps into its silver jubilee year, Honolulu is a market at the hub of transition. The influence of agriculture—mainly sugar cane and pineapple growing—has waned steadily in the 25 years since statehood. From 1940 to 1980, according to the research department of the First Hawaiian Bank, the sales value of sugar and pineapple as a percentage of the gross state product dropped from 38% to 7%.

To fill the vacuum, the state's economy has diversified into one based primarily on service industries. Long known for its natural beauty laced with exotica, Hawaii has become one of the world's leading tourist destinations. No surprise, then, that tourism and tourist-related businesses are the No. 1 revenue producer in the state today.

In 1982, Hawaii recorded 4.2 million visitors, the most ever and an increase of 4.3% from the previous year. Through July of this year, the visitor count reached nearly 2.6 million, up a slight 2.6% from the same period in 1982. Honolulu, of course, serves as the primary arrival, accommodation and departure point for most of these visitors.

But tourism and its attendant problems—sensitivity to economic cycles and the sometimes disconcerting paradox inherent in mixing natural beauty with man-made developments—have led state and local leaders to seek an even more diversified base.

One current topic of considerable interest is the luring of high-tech industries to the market, something that has gained a kind of cachet in various areas throughout the country.

Heightening interest in this area was Castle & Cooke's recent purchase of a 20% interest in Intelect Inc., the state's leading high-tech company. C&C, which owns large parcels of land through its long-standing Dole pineapple operations, has developed a program of land-cost subsidies for companies locating in its proposed Mililani high-tech park, 10 miles from the Honolulu city limits.

According to First Hawaiian Bank estimates, currently there are about 142 high-tech businesses accounting for $200 million in annual revenues and 4,000 jobs in the states. The state has committed itself to increasing these numbers through its support of a body called the High Technology Development Corp., which was created to promote the development of high-tech facilities by helping in site selection, construction and issuance of revenue bonds.

Supporters of this approach to diversification point to Hawaii's central location, between the Mainland and the Far East, as a prime advantage to developing high-tech interests. But all of this is not likely to come easy. Business interests in Honolulu and the state single out "restrictive" laws and taxes as needless obstacles to furthering development.

An acidic *Forbes* article in January reflected this argument: "The 'paradise' state is a veritable purgatory for business, with a stagnant agricultural economy and a powerful political and labor union bureaucracy that has smothered attempts at industrial development."

Indeed, both the city and state have had a long tradition of liberal politics often antagonistic to business interests. But indications are that state and local leaders are lending a more sympathetic ear to promoters of business, especially as Honolulu emerges from the recession hard hit, though not as hard as many more industrialized markets.

The economic effects of the recession, as with other events, hit Honolulu later than the Mainland. But the market is recovering. The unemployment rate in Oahu stood at 5.9% in July, down from 6.2% the year before (the Neighbor Island rates were higher). Construction, however, has slowed a bit, dropping by 2.3% through June to a value of $677.9 million from the same period in 1982.

One market condition that could hamper efforts to expand business in Honolulu is housing cost, among the highest in the nation. The average price for a single-family home on Oahu stood at $182,600 in July, and the figure keeps escalating.

Nevertheless, if the last 25 years have proved anything, it is that Honolulu continues to attract more residents and businesses, those seeking pleasant tropical surroundings and an outdoor life style.

Honolulu is served by five daily newspapers (including ones serving the Japanese, Korean and Chinese communities), five tv stations (including three network affiliates and one public broadcasting station), 17 am and nine fm radio stations and two cable services.

Los Angeles-Long Beach, Cal.

Population '80	7,477,503
Rank	2
Est. income '82	$53,359,755,000

Business analysts are already weighing the economic impact of next summer's Olympic Games in the Los Angeles-Long Beach market, but by any measurement, the significance of the XXIII Olympiad in this market should be enormous.

In addition to preparing the scattered sites for 20 or more separate athletic events, the city fathers and organizers have spearheaded some frenetic activity aimed at presenting the best of all possible appearances for the area. The huge, sprawling MSA includes all of Los Angeles County and covers 4,080 square miles, 75 miles from north to south and 70 miles from east to west.

In late October, word was released that the $272 million construction project to add new terminals and roads to Los Angeles International Airport will be completed on target, before the start of the Olympics next July 28. With other improvements being paid for by the airlines, including the new $100 million United Airlines terminal, the total bill for the refurbishing could hit $750 million. And as the countdown to the start of the games progressed, the Los Angeles Olympic Organizing Committee (LAOOC) reported a total of 30 individual sponsors, as well as licensees for everything from beer mugs to playing cards.

The Los Angeles-based Economic Research Associates, hired by the LAOOC, estimated the over-all economic impact of the Olympic games at $3.3 billion. This includes all of Southern California (the five-county area), although a bulk of the money—$948 million—would be in Los Angeles County.

American Segments, X

Services: Helping themselves

Ten metro areas with the highest percentage of service workers

		% of service workers in labor force
1	Anaheim, Cal.	17.80
2	New Orleans	15.19
3	Tampa-St. Petersburg	14.35
4	San Diego	14.19
5	St. Louis	14.11
6	Pittsburgh	13.89
7	Detroit	13.77
8	New York	13.75
9	Sacramento, Cal.	13.73
10	San Antonio	13.71

Source: "The Book of American City Rankings," ©1983, published by Facts on File Publications

One of the sports-oriented work projects not directly related to the Olympics was the new $100 million, three-to-five-year expansion program at Hollywood Park racetrack. Work on the $30-million first phase is now under way and is scheduled for completion by November, 1984.

Visitor facilities in Los Angeles may have been a bit spotty before, but the new downtown appears to be getting its act together as the area's prime hospitality center—with an eye on the upcoming Olympics, of course. Supporting this objective this past spring were such openings as the Sheraton Grande hotel and the magnificent Crocker Court complex, new restaurants and numerous other services.

But the steady decline of retail sales in the downtown area over the past decade was recently highlighted when May Co. California said it will move its corporate offices from its downtown building to a remodeled flagship store at Laurel Plaza in North Hollywood. The company said it would keep its downtown store open, but other retailers, including the Broadway, have moved west toward the Harbor Fwy. Declining sales also forced the closing of Bullock's downtown store in June, after 75 years.

Except for the bankruptcy and closing of Schwab's Pharmacy, the 51-year-old Sunset Blvd. soda fountain where new screen stars were said to be discovered and Hollywood legends were born, the movie-tv-entertainment business appeared to be booming. Among the tv producers looking for yet other profitable investments—some outside the state—were MCA Inc. and Lorimar.

Meanwhile, total employment in Los Angeles fell by 2.4% in 1982 from the previous year, with manufacturing and construction industries showing the biggest decline. Transportation equipment factories showed the largest losses of any major industry group, with motor vehicle and the aircraft and parts sectors accounting for most of the job losses.

But after two years of job declines and the worst unemployment since World War II, there are signs the Southern California employment outlook is brightening. Hughes Aircraft, Northrop, General Dynamics, Rockwell International and other aerospace companies are hiring thousands of engineers for new defense projects. Major supermarket chains, department and discount stores and other retailers are staffing up and expanding payrolls to take advantage of the emerging recovery. For all of 1983, about 175,000 jobs will have been added in Southern California, with employment accelerating to 250,000 in 1984, say economists.

In the high-tech area, about 268,000 workers are involved in making such products as space vehicles, missiles, aircraft and parts. And in one of the biggest industrial transitions in this century, 225,000 jobs in the manufacture of computer and electronic equipment were created in Los Angeles in only a few decades.

Among the area companies that reported heavy losses in the volatile videogame and home-computer business was Mattel Inc., which attributed a $156 million loss in the second quarter this year to its electronics division. On the other hand, Los Angeles-based Western Airlines, prepared to file for bankruptcy five years ago, has made some drastic cost reductions and streamlined its management and appears on the road to recovery.

The Ports of Long Beach and Los Angeles appear ready to dominate U.S. international trade in the decade of the 1980s. The Port of Long Beach, recognized as the West Coast's leading seaport, posted a record 4,650 ships carrying nearly 50 million metric tons of cargo and the number keeps growing. A commitment to the shipping needs of the next several years has sparked a five-year, $500 million capital development program at the Port of Los Angeles, second busiest passenger port in the U.S., with shipments of 39.9 million metric tons of cargo also recorded for 1982-83.

Adding to the luster of the revival of downtown Long Beach were the recent openings of the $60 million Hyatt Regency hotel, the $15 million IDM building, the $7 million Shoreline Village and the $60 million twin Arco office towers. Altogether, these projects are expected to add 17,000 jobs to the once moribund downtown area.

Developers are putting up condominium and apartment projects in downtown Long Beach at a record pace, with more than 500 such housing units in 14 separate projects either pending approval or under construction. One spur toward development has been the decline in interest rates for mortgage bonds, plus the over-all development of downtown Long Beach, an area that covers six square city blocks, or 421 acres of the central business district. More than $1.2 billion in new construction is committed, and that figure is expected to rise to $3 billion by 1990.

The rich and varied media mix serving the Los Angeles-Long Beach market includes 22 daily newspapers, four of which are considered major metropolitan papers that extend beyond the market; more than 150 weeklies produced by 35 different newspaper chains; 21 am and 26 fm commercial radio stations; seven vhf and five uhf tv stations; 24 cable tv companies providing service to the metropolitan area and outlying communities, and a wide variety of ethnic, student and business publications and city magazines.

Oakland, Cal.

Population '80	1,761,759
Rank	20
Est. income '82	$25,091,535,000

It has taken more than 100 years, but Oakland, Cal., is finally coming out from under the shadow of San Francisco as its own market.

"If we hadn't been lumped together with San Francisco all these years, we'd probably already have a better image," says John Christenson, manager of the Oakland Economic Development Department. But the image of Oakland, in Gertrude Stein's words, as a place where "there's no there there," is a haunting one, and the new Census Bureau breakdown of Oakland as its own market could go far to aid the city's image.

"There is a definite trend of businesses moving out of San Francisco and into Oakland," said Bruce Koon, business editor of the *Oakland Tribune.* It's been marked in 1983 by the

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move or announced move of at least five major companies, including AT&T Information Systems moving its West Coast headquarters to Oakland, Equitech Financial Group, Sperry Corp. and IMS (a major holding company) all relocating to Oakland. Matthew Bender & Co., a major legal and accounting publishing company, is moving its headquarters to Oakland in early 1984.

Other major companies already headquartered in this East Bay city include the Clorox Co., Safeway Stores and Kaiser Industries.

Two of the key factors encouraging businesses to make the move to Oakland are its excellent transportation and available housing. It puts companies, employes and "affordable housing" in reasonable proximity, according to Mr. Christenson. Oakland is headquarters for Bay Area Rapid Transit (BART), a high speed rail system that has connected Oakland not only with San Francisco, but with all points of this sprawling market.

Because of the tremendously high cost and low availability of housing in San Francisco proper, it has been common for San Francisco workers to live on the opposite side of the bay and make the 20-minute commute.

At the Oakland Airport a new commuter terminal is scheduled to open in early 1985, linking the area even more conveniently with Los Angeles and other points in Southern California.

Located on the mainland-side of the San Francisco Bay, Oakland is a unique city in many ways. It is one of the few cities in America with a majority black population and often "black" and "poor" tended to come across in the same breath. But it's not necessarily so. In Oakland, ethnic diversity crosses all classes and economic levels. Oakland has a large and powerful black middle to upper middle class, which has had a significant influence in business and politics.

Perhaps one of the most glamorous signs of a cultural and business "renaissance" in Oakland was the opening in 1983 of the Oakland Hyatt Regency hotel. For October, the new hotel had 62% occupancy and expects to see that improve throughout 1984.

Other hotels are expanding and remodeling as fast as they can, hoping to pick up more of the expanding visitor and convention business, which saw 49,000 convention delegates in the city this year.

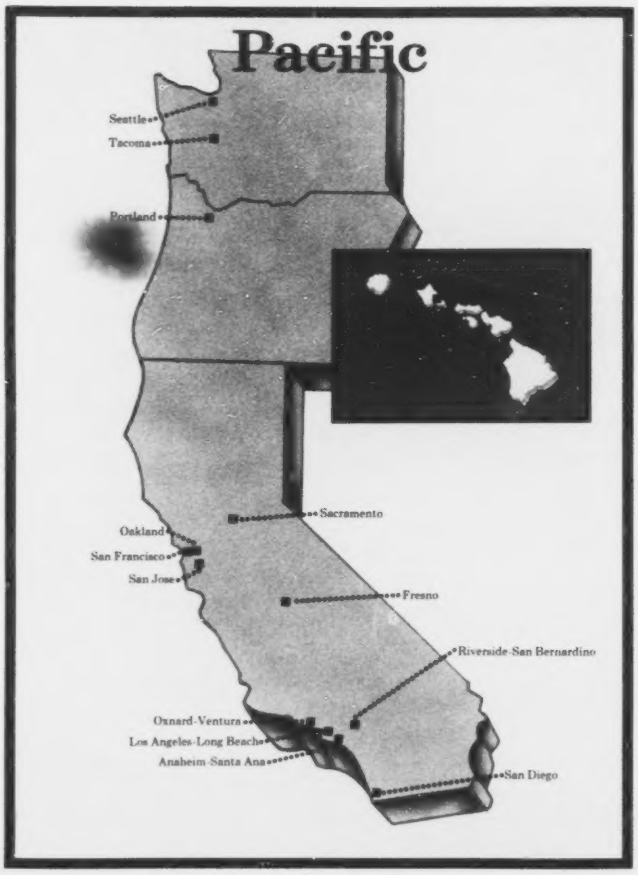
The Port of Oakland, a major West Coast facility, is just completing a 20-year modernization program that has turned the port into the second largest containerized port in the U.S.

But for all that has happened in Oakland, there are still projects that have not come to fruition. As an example, Mr. Koon cites the announcement two years ago that Bechtel Corp. would be building its new headquarters in Oakland, but when economic hard times hit, those plans were stalled.

Another area that has not yet felt the surge of new dollars is the downtown retail enterprises. Between the regional shopping malls and the pull of the classy downtown San Francisco stores just minutes away, retail expansion has been at a virtual standstill.

One major change on the media scene in Oakland this year was the sale of the *Oakland Tribune/East Bay Today* by Gannett Co. to a group headed by Robert Maynard, who had been editor of the paper.

Oakland's primary daily newspaper is the *Oakland Tribune*, but it is served by both the *San Francisco Chronicle* and the Brown Publishing Group. It has one tv station of its own—independent KTVU—but is served by all the San Francisco-based stations. Radio stations include three am and one fm station, in addition to signals received from San Francisco stations, and Oakland is wired by one cable company.



Oxnard-Ventura, Cal.

Population '80	529,174
Rank	80
Est. income '82	$6,996,341,000

The economic difficulties that have engulfed the rest of the nation somehow seem less noticeable in Ventura County. That's probably because a diversified economy that includes agriculture, government and military employment—as well as an expanding light industry and business base—have helped to minimize the over-all effects of the passing recession on this Pacific coastal market.

The area continues to absorb the overflow population from neighboring Los Angeles and the San Fernando Valley, but there are signs that controls on new housing and commercial development may be making an impact. Thousand Oaks, near the county line, and Ventura, the county seat, have already enacted growth control ordinances limiting residential construction. On the other hand, Simi Valley and Camarillo have been the most popular areas for recent growth, including new high-tech companies, because of the "open door" policy that prevails for major new industrial plants.

Although 1982 was an off year as far as new construction was concerned, a surge of activity at the end of the year buoyed optimistic hopes for a rebound this year. About $50 million in new projects that would boost the sagging building industry has been launched by Oxnard businessman Martin V. Smith. It includes a $2 million renovation of the Oxnard Produce Center, which would generate 1,000 new packing and farm-related jobs in the city.

The past year was one in which many long-planned or proposed projects took shape and moved ahead in the revitalization of downtown Oxnard. Among these programs was the start last spring of the $34 million Ocean View office high rise, a 12-story office and retail center that represents just the start of more than $200 million in planned construction in the business district.

Over-all economic hard times nationally had no visible effect in the area in 1982, with shopping malls generally reporting slight sales increases over the previous year. However, the recession managed to keep retail sales from increasing more than 5%.

On Oxnard's retail front, the building that once housed the defunct Fed-Mart store until late 1982 reopened last spring as a Target store, one of 19 such outlets to open its doors in Southern California, creating 450 jobs. Adjacent to the Target, a unit of Dayton-Hudson Corp., Minneapolis, is the site of a new 45,000-sq.-ft. Ralphs supermarket, which is scheduled to open in late 1983. In other retail building activity, Lemon Grove Plaza, a $5 million neighborhood shopping center, was completed early this year, and Esplanade Mall, the largest mall in the area and second largest in Ventura County, has begun major additions.

In Ventura, work continued on the downtown sector, much of which has been designated a redevelopment area, and several renovation projects were completed. Military installations continue to have a great economic impact. The Pacific Missile Test Center at Point Mugu has an annual payroll of more that $131 million. Of that, civilian pay is reportedly more than $109 million and about 80% of that figure is spent in the market.

Port Hueneme, the only deep-water harbor between Los Angeles and San Francisco, posted record-breaking profits in fiscal 1982, a reported 58% jump over the district's profits a year earlier.

Port Hueneme, which celebrated its 35th anniversary this spring, is expected to continue to experience increased shipping and cargo business, with most rapid growth coming in the offshore oil support industry based at the port. Movement of drilling supplies rose from 108,000 metric tons in 1981 to 167,000 metric tons last year.

The port's facilities are overcrowded, however, being committed to both deep-draft cargo vessels and offshore oil boats. Because of the space squeeze, the harbor district has launched an aggressive campaign to acquire an adjacent Navy wharf and 26 acres of backup land at the U.S. Naval Construction Battalion Center, the Seabees.

The harbor also supports the port needs of Vandenberg Air Force Base in the space shuttle program, the army's National Training Center at Fort Irwin and naval construction projects in the Pacific. The total economic impact of the Navy in Ventura County adds up to more than $1.06 billion.

Media covering the market includes some penetration by the big metropolitan newspapers in neighboring Los Angeles as well as five major dailies within the area. There is also considerable radio spillover from Los Angeles and nearby Santa Barbara, plus five am and six fm radio stations within the market. The area is served by tv stations located outside the market, in addition to seven cable services, two of which are based in Ventura.

Portland, Ore.

Population '80	1,105,699
Rank	36
Est. income '82	$11,045,191,000

Like many cities in the Pacific Northwest, Portland is coming out of the recession fitfully. The city's pros-

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Asian refugees: An invisible market

By Bruce Williams

There are some 22,000 immigrants and refugees from Southeast Asia living in the Seattle-King County area.

Yet they seem to have dissolved into the manmade thickets of this international city as effectively as they once disappeared among the tropical jungles of their native lands. Moreover, the local business community has made little effort to find them, despite its recent exertions to attract and serve Japanese and Chinese visitors.

Washington was the third most popular destination for refugees and immigrants fleeing Southeast Asia after the Vietnam War; only California and Texas attracted more of the newcomers. During the peak influx, from 1979 to 1980, about 70 to 100 school-age children joined the Seattle School District's bilingual program each week, overwhelming the staff's efforts to place them in the proper classrooms. By January, 1982, approximately 35,000 Asians lived in King County.

But when the Reagan administration cut the length of their resettlement aid from three years to 18 months, an exodus began, which, to date, has shrunk their numbers by about 18%, says Bill Pierre, who chairs a refugee forum of King County.

Those who remain still seem to be invisible. "[The white society] doesn't know where to reach them," remarks Assunta Ng, publisher of the *Seattle Chinese Post*, the city's weekly Chinese-language newspaper. "A lack of knowledge hinders the [few attempts]," she says.

A local merchant who reached out to the Southeast Asians because of his religious convictions agrees. "I'm afraid the attitude is one of distrust and dislike," the merchant says. "They're not being openly accepted unless they have money."

The American businesses that do try to cater to the new market indeed find it confusing and diverse. Roughly 40% of the immigrants are Vietnamese; about 35% of those Vietnamese are really ethnic Chinese. The remaining 60% is a nearly even mixture of Laotians, Cambodians and Cambodian hill people from the Mung and Ming tribes.

"I would be surprised if anyone was reaching out to the [Southeast Asian] market," replies the advertising manager of a large department store here when asked if he was pursuing their business. "It took a while for everyone to get going on the Japanese and Chinese."

Last spring, when United Airlines and Japan Air Lines began nonstop service to Tokyo and Hong Kong from Seattle, doubling the number of flights among those cities, local hotels, stores and restaurants began a concerted effort provide interpreters, international signs and special services.

"We've got interpreters, brochures, menus and handouts in [Japanese, Chinese] French, German, Italian and the Scandanavian languages," says the ad manager. "We've targeted the tourists." He suggests that merchants believe Southeast Asians read neighborhood newspapers, watch local tv and listen to the radio, unlike visitors who stay only a few days.

Ms. Ng sees things differently. She is frustrated that Safeway, which has increased "tremendously" its variety of ethnic foods and has hired some clerks who speak Southeast Asian languages, won't advertise in her paper, which has a circulation of about 5,000. Although the refugee forum headed by Mr. Pierre will for a fee translate advertisements into several languages, Ms. Ng says businesses harbor an "attitude of suspicion" about ads rendered into Asian tongues. Of the city's big advertisers, only Sears has placed ads in her paper, she says.

Tv and radio seem to be media even less likely to reach the Southeast Asian communities. Mr. Pierre says the more affluent Southeast Asians make a videocassette recorder player one of their first big purchases. "American commercial tv is not relevant to them," he explains. They buy tapes out of Hong Kong, where programing in their own languages and related to their cultures is readily available.

Yet Mr. Pierre thinks there are several untapped opportunities to be exploited. He notes that Seattle City Light, the city's electrical utility, has published many of its brochures in the major Southeast Asian languages, and he suggests that insurance companies could sell a large number of auto policies if they made an effort to reach the minority communities.

There are some stirrings of interest among businesses here, however. An advertising executive who handles the regional account for a major fast-food chain recently told the company's marketing staff that Seattle soon may have a significant Asian population.

More important, perhaps, the Southeast Asians seem gradually to be integrating themselves. Mr. Pierre says that the rate of unemployment among the immigrants is showing a "steady improvement," although it remains very high, at 30% to 40%.

Vicki Raider, supervising teacher in the Seattle School District's bilingual program, comments that Southeast Asian children are acclimating themselves rapidly, sometimes so fast that they dismay their parents. She emphasizes that there remains a wide disparity between those immigrants who lived in the cities and were part of the college-educated, professional class and the tribal people who lived among the hills throughout Cambodia and Laos.

"The Vietnamese and Laotians who were on the college level fit right into Western culture. The difficulties are with families that lived in the country on the land," she remarks. "Parents are freaking out. They don't understand their children and their children don't understand them."

Still, for the moment most of the commerce in the Southeast Asian community is conducted by neighborhood businesses, which, Mr. Pierre hastens to point out, are not just food stores or shops selling traditional cooking utensils and clothing.

"There's a new, large number of Southeast Asian businesses," he says. Until they become a significantly larger economic force, however, there is not likely to be much of an effort to reach them or their customers. AA

Bruce Williams is an ADVERTISING AGE *correspondent in Seattle.*

perity always has been heavily dependent on the fortunes of the wood products industry, and relatively recent diversifications into high tech haven't dampened significantly the roller-coaster rides on which the housing cycle periodically takes the Portland economy.

Tektronix, which makes video display products, oscilloscopes and other computer-related hardware, remains Portland's major industrial employer, and the past couple of years haven't been very good for the $1.2 billion company. Earnings have been flat, and an austerity program continues to reduce employment at the company, largely through early retirement programs and a hiring freeze. Tektronix currently has about 117,000 workers on its payroll in the Portland area; employment dropped by about 300 in the company's first fiscal quarter and should continue downward through the year.

The company's results improved significantly in the first quarter, however, the most promising statistic being an alltime record for first-quarter orders, which totaled $300 million.

Over-all, the unemployment rate in the Portland area improved steadily in the first half of the year, dropping from 12% in January to 8.9% in June, but rose a full point in July, to 9.9%. The rate declined again in August, to 9.8%. Still, state officials said employes remain cautious and prefer increasing overtime to hiring new workers.

The recession, which hit Oregon harder than its neighboring states, is illustrated by a couple of startling statistics. In 1982 Oregon's population declined by 4,550, the first year-to-year loss in the state's history. State officials expect population growth to average about 1.2% a year in the 1980s, less than half the 2.6% rate achieved in the 1970s, when many residents tried to dissuade people from migrating to Oregon. Total nonagricultural employment in Oregon has dropped by more than 90,000 from the 1979 peak of 1.05 million.

Yet development continues, even in the face of gloomy conditions. The office vacancy rate in Portland reached 16.9% in June, the fourth highest rate recorded in 24 major cities in the nation, but developers have been undeterred; 1.2 million sq. ft. of office space was added in the metro area in 1982, and this year another 1.4 million sq. ft. are slated to rise amid Portland's skyline.

Cornerstone Development Co., a Seattle company owned in part by Weyerhaeuser Real Estate Co., plans to develop the $83 million South Waterfront Project along the Willamette River in downtown Portland. The project features 51 residential units, a luxury hotel, two restaurants, retail shops, an athletic club and a marina for 207 boats.

Residential building activity also soared this summer, with the number of building permits issued in the Portland area rising 91% in June, compared with weak figures from a year ago. The area continues to account for almost all of the single-family homes being built in the state.

Trade and travel have emerged as particularly bright spots in Portland's economy. Since airline deregulation began, 10 airlines have started service at Portland International Airport, and after three years of declining traffic, 1983 may prove an exceptionally good year, with passenger counts exceeding the record set in 1979. As part of its major expansion into international service, United Airlines has begun nonstop service from Portland to Tokyo, eliminating the need for travelers to stop first in Seattle. A new master plan for the airport terminal envisions a three-phase expansion of the facility that initially would permit the airport to accommodate 5 million passengers annually. Later additions and modifications would allow the airport to handle up to 12.5 million passengers annually, or three times the current level.

The visitors bureau at Portland reported that the number of visits to its office jumped 24.2% over last year in August; most of the new tourists came from California and Canada, but 21% of the 7,705 visitors were Oregonians.

The Portland area is served by seven tv stations and a cable franchise, 27 radio stations and one major daily newspaper, the *Oregonian*. Specialized business and neighborhood papers publish on a variety of schedules.

Riverside-San Bernardino, Cal.

Population '80	1,558,182
Rank	24
Est. income '82	$17,497,223,000

Promising commuters from adjoining Los Angeles and Orange Counties a refuge from smog and high-price housing, the Riverside-San Bernardino-Ontario market has begun to live up to its billing as one of the "fastest growing" markets in the U.S.

It's a boom that real estate brokers and construction executives attribute to overcrowded conditions in the neighboring markets.

They say it leaves the two-county market (San Bernardino and Riverside counties) as the next obvious area for growth and expansion in Southern California.

This is evidenced by a resurgence in the housing industry; this spring, housing starts outnumbered those of Los Angeles for the first time. Current residential building contracts are running 81% ahead of 1982. Over-all growth of the market has averaged 3.1% annually from 1970 to 1980, according to the U.S. Census Bureau.

While spillover from Los Angeles and Orange counties accounts for much of the growth, lower housing costs, fewer constraints on land use, a favorable mixture of industry likely to experience expansion and defense growth (MX missile activity at Norton Air Force Base) are contributing factors.

The market also has an advantageous position as a central distribution center. Riverside, for example, stands at the convergence of three railroad lines and many major freeways intersect the area. During the economic downturn of the early 1980s, Riverside County actually increased the number of retail business establishments, adding 626 new businesses, and it also added 113 new plants or companies to the roster of manufacturers.

Ontario International Airport is already the third largest volume freight distribution airport in California, with 14 regularly scheduled carriers flying in and out in increasing numbers. Airport sources predict passenger traffic for 1983 will hit near 2.4 million for the best year in the facility's history.

Near-term growth in the market is expected to take place in western San Bernardino County, which has adopted a "pro-growth" attitude and is offering the availability of industrial development bonds and building grants. Most likely growth areas are the western communities of Ontario, Rancho Cucamonga, Fontana and Montclair, where the market's transportation assets all come together.

The western part of the market is the site of numerous future industrial and commercial developments, such as the Chevron Land & Development Co. Ontario International Center, located at the former Ontario Motor Speedway, and Ontario Industrial Partners' 1,350-acre Commerce Center just east of the airport.

But because the Interstate Hwy. 10 corridor between San Bernardino and Redlands is a more attractive place for executives to live, some economists say the area may have more potential for commercial and industrial growth than the Ontario Airport area. In comparing the east and west San Bernardino Valley, the airport is a key factor in stimulating land sales, but the east valley has the same cheap land, large parcels of it and good access to freeways.

Meanwhile, the era of steelmaking and auto racing, once two of the market's most notable activities, finally came to an end this year with shutdown of the last blast furnace at the Fontana mill of Kaiser Steel and demolition of the Ontario Motor Speedway, the so-called "Indy 500 of the West."

The Kaiser shutdown eliminated 700 jobs and yet another 2,000 employes are scheduled to be laid off by year's end.

Demolition of the 80,000-seat Ontario Motor Speedway, a site now owned by Chevron Land & Development Co. and where attendance was declining, began in July, a project that by the end of the year will leave the land ready for Chevron's planned $1-billion, 8 million-sq.-ft. commercial/light industrial/residential development. It's a project that's expected to add at least $12 million in annual revenue to the City of Ontario's operating budget.

The City of Riverside stands in the middle of the explosive growth taking shape in the market. The city and county are headquarters for such industrial companies as Bourns Inc., a leading manufacturer of critical measurement instruments; Fleetwood Enterprises, largest manufacturer of mobile homes and recreational vehicles in the U.S.; Butcher Boy Frozen Foods; the Moistomatic divison of the Toro Co., which manufactures sprinklers, and grocery wholesaler A.M. Lewis. The county's largest industrial employer is Rohr Industries with more than 2,000 employes. Rohr is one of the nation's largest manufacturers of aircraft engine pods and high-tech engine components for rocket and aircraft engines.

Riverside is also a vital part of the nation's defense operations. The Air Force command center for all bombers and missiles covering the western states and Pacific area operates out of March Air Force Base, the oldest field on the West Coast, covering 8,000 acres east of the city.

Media serving the market includes three major daily newspapers (plus spillover from neighboring Los Angeles) and 12 weeklies; four am and two fm radio stations; two tv stations and three tv cable services.

Sacramento, Cal.

Population '80	1,099,814
Rank	37
Est. income '82	$13,594,799,000

While other California cities have gone wild with high-technology growth industries, Sacramento may be developing into the biotechnological capital of the future. Already two major genetic engineering companies—Calgene and Plant Genetics—have moved into the Sacramento area, and experts point to the tremendous intellectual resource of the University of California at Davis, a nationwide leader in agricultural research, as a major lure to new biotech companies.

Although so far no biotech company has made money, venture capitalists are betting millions that current research will turn this into a multi-billion-dollar industry.

But by no means has Sacramento turned away from the high-tech companies. In fact, according to a Bank of America survey, Sacramento is the No. 1 market cited by Silicon Valley companies when it comes to discussing their expansion plans.

A proposed sports complex would include a stadium with a capacity of 55,000 and a 17,000-seat arena.

A group of investors, led by the current owners of the National Basketball Assn.'s Kansas City franchise, has proposed building the facility at no cost to the city, but construction depends on rezoning agricultural land in the northern part of Sacramento.

The new stadium, if approved, would pave the way for a major sports franchise to come into the Sacramento market.

Reasonable land costs have put the average price for an existing single family home at about $79,000 in 1983, which is $35,000 less than the California median house price and $42,750 less than the median for California's coastal metropolitan counties, according to the California Assn. of Realtors.

The tourist industry in Sacramento has taken a mighty leap. Once Sacramento, although historically interesting and the state's capital, was simply a stopping point for travelers on their way to Lake Tahoe or the Sierras. The lovely weather and many attractions of the area, however, brought in over 10 million tourists in 1983. Income from the tourist industry should reach $500 million this year, with projections of a 10% increase in 1984.

Traditionally, because government has been the largest employer in the region, with trade and services, the employment rate has been vary stable. In 1983, however, the unemployment rate hit a high of 11.5%, and although predictions call for a decline to about 9.9% in 1984, it is a result of the seasonal nature of the agricultural industry, which pushes the rate way up during the winter months.

On the industrial front, Hewlett-Packard has built the first of several plants that the company expects to construct in the community of Roseville. Currently about 1,000 employes are working there, but tentative plans include a future 500-acre complex that could employ up to 23,000 people.

One side development of the high-tech growth of Sacramento and the trend in recent years for city dwellers to move to more rural areas has been the development of a new planned community called Eaglecrest, in the Sierra foothills. According to the economic report by the Bank of America, this may be a glimpse of the future.

Eaglecrest "is designed to create a self-contained community of electronic cottages in the midst of a mountain forest." Each house would be connected by cable so that computer communications between homes and offices would be possible. High-tech workers would have a homework station for "telecommuting" to work. According to the report, if telecommuting catches on, electronic cottages will offer more people the opportunity to live in rural environments while holding well paid professional and technological positions.

Interestingly enough, Sacramento, for all its high-tech look, still has minimal cable tv access. The city reportedly had a difficult time deciding on a cable contractor and now is having a hard time coming up with a contract. Thus cable tv is a minor factor.

The two major newspapers in town are the *Sacramento Union* and the *Sacramento Bee*, both morning dailies. Also, there are five tv stations and a multitude of both am and fm stations. Although local media is not much influenced by San Francisco, the major am stations with large Sacramento audiences are San Francisco-based.

San Diego, Cal.

Population '80	1,861,846
Rank	18
Est. income '82	$21,788,162,000

One way of looking at San Diego is to walk along the ocean side and the bay side of Mission Beach, with a few twists and turns up and down the alleys and narrow sidewalks of this four-mile spit of land between the Pacific and Mission Bay.

Fifteen years ago, Mission was a funky place to live, populated largely by hippies and others trying to make the rent while figuring out what to do with their lives. The landmark Belmont Park roller coaster, in a state of near collapse, was shutting down. Hardly anyone ever wore shoes.

Today, Mission Beach is cute, trendy, in a seemingly constant state of renovation, filled with upwardly mobile young couples with young children—and it's expensive. Even the old roller coaster is being restored. On Sundays, the whole length of Mission Beach is alive with runners, joggers, cyclists and tv sets blaring the San

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Diego Chargers football game. There are still a few junkers and modest cars around, and there are still a few "summer rental" signs, but for the most part Mission Beach has become upscale and rather serious about itself.

It represents a facet of San Diego that hasn't yet shown up clearly—that it's a young market moving up rapidly in several business areas.

The market still relies heavily on tourism, but not quite as much as in the past. The only recurring graffiti theme noted in the beach areas is "Tourists Stay Out," or words to that effect. According to the San Diego *Union* and *Tribune*, the tourist business in San Diego had its weakest year in a decade during 1982, when visitors dropped 0.8% from the 1981 level. The nationwide economic recession was blamed.

The San Diego Zoo and Sea World reported attendance decreases in 1982 of 1% and 9.3%, respectively. Business from Tijuana and elsewhere in Mexico was down 6.6% from 1981. This was mainly because of two major peso devaluations during the year. More recently, the peso was devalued again, and the Mexican banks were nationalized, meaning Mexicans and U.S. citizens living in Baja California could visit and shop in San Diego only by exchanging their pesos on the U.S. side at tremendous losses.

Department store sales during 1982 were 12.9% below 1981 in the city and down 9.7% in San Diego County. But business in the beach areas, La Jolla, Del Mar and other communities in the northern part of the market is reported to be keeping pace with past years and growing in several areas primarily retail, including fashion boutiques and restaurants.

This reflects a shift in which housing in these areas is becoming far more for permanent living than for summer vacationers—which in turn reflects the growth in the market of high-tech industries and the relocation of older, established companies. Examples are Signal Cos. (Mack Trucks among its many subsidiaries), which moved its headquarters to the La Jolla area from Beverly Hills, and Wickes Corp. Another is Lexocorp, which has consolidated Los Angeles and Orange County operations in San Diego and is challenging the giants of the computer and word processor industry with a standard electronic typewriter/computer/word processor hookup system.

A recent Office Products and Systems Show at the San Diego Convention and Performing Arts Center had more than 30 San Diego-based exhibitors in computer, word processing and related fields.

Personnel staffing these and other new high-tech and light industry companies come from a population that has grown an average of 3% a year over the past 12 years. The average age as of 1980 was a surprisingly low 28.8, and most of the increase in population (from 1,357,854 in 1970 to 1,861,846 in 1980) was in the 25-to-34 age group.

The market in general didn't sparkle quite so much as its affluent enclaves. Total "civilian" employment was down 1.5% from 1981. "Civilian" is a word used often in San Diego because of its large military population. Government accounted for 20.7% of employment in the market in 1982 and was the third largest employment sector in the market behind services and wholesale and retail trade.

San Diego is a big college market, with 11 separate colleges and universities and eight community colleges. Total enrollment as of 1982 was more than 170,000, including 44,212 in community colleges and 31,265 at San Diego State University. The population, as of the 1980 U.S. Census, also included nearly 200,000 retired people, or at least people over the age of 65.

The shopping center boom in San Diego—from four in 1955 to 193 as of 1982 figures—is helped by the area being so spread out. It takes in 4,261 square miles. There is also income, at last count estimated at an average of $19,501. County sources said it would be safe to speculate that that has gone up considerably since 1980.

According to Copley Newspapers, San Diego ranked fifth in total personal income among the major markets as of 1982 and fourth in income growth from 1980 to 1981.

Like many other markets, San Diego has discovered the charm of its older sections and is making a spirited effort to restore them and clear the way for private developers to play a major role. The main restoration—"renaissance" as local leaders put it—is taking place in downtown San Diego and along the formerly commercial and semiblighted main waterfront.

The San Diego market has two daily newspapers—Copley's morning *Union* and afternoon *Tribune*—plus affiliates of the three major tv networks, one independent tv station, a public tv station and 35 channels available on cable. More than 40 radio stations reach the market from local facilities and from Orange County, Los Angeles and Mexico. There are more than 100 weekly newspapers in the market.

Golden Gate slowly opens to gay market

By Lynn Berling-Manuel

The San Francisco gay market is coming out of the closet, and business is sitting up and taking notice.

Although there are no "official" data on the percentage of gay people in San Francisco, estimates put it at anywhere from 10% to 20% of the population and higher. But demographics are hard to come by because it is a market segment that crosses all economic levels, social strata, occupations and races.

And although San Francisco may be more upfront and accepting of its gay population than many areas of the country, there are still many gay men and women not excited about identifying themselves.

"Actually, the National Gay Business Assn. is right now looking at a proposal to implement a national marketing study," said Roger Gross, president of the Golden Gate Business Assn. (GGBA), an organization of gay-owned businesses and businesses sympathetic to the gay community.

With more than 700 San Francisco Bay Area businesses within its membership, including some "straight" companies—Crocker Bank, Hibernia Bank and Hyatt Regency Hotel, for instance—the GGBA has become the leading advocacy organization for gay business in San Francisco.

"We're being identified as an entree for business organizations in San Francisco that want to reach the gay market," said Mr. Gross, a practicing local attorney. And there seems to be little doubt of the potential clout of the gay market when mobilized.

Atlas Savings & Loan opened its doors two years ago in the heart of San Francisco's predominately gay Castro Street district. Its advertising and marketing program targeted the gay community specifically, and it has identified itself as a gay institution. And since it opened its doors, it has broken virtually every industry record, going from zero assets on opening day to $80 million two years later.

"Most traditional banks are pleased if they can show $1 million to $2 million in assets after the first year," said Todd King, now manager of Crocker Bank's Castro district branch, but who was hired away by Crocker from Atlas.

Peter Frisch, publisher of *The Advocate*, a national gay newspaper with 83,000 subscribers, confirms the gay market's loyalty to brands and products that have targeted that market. "Our national accounts are coming to realize that, for example, if one of our readers has a choice of several comparable brands of gin and one advertises with us, our gay reader will go out of his way to buy that brand," Mr. Frisch said.

In fact, national advertising accounts have begun to identify the gay market as a viable segment. Besides *The Advocate*, which has more than 17,000 subscribers in the San Francisco Bay Area, the *Bay Area Reporter*, a 14-year-old gay newspaper with 28,500 circulation in and around San Francisco, has also seen such a breakthrough.

"We've certainly had success with certain kinds of companies and products," says Bob Ross, the paper's publisher. Alcoholic beverages, hospital plans and "growing companies" have been key accounts for the *Reporter*, he says.

The Advocate has just received the results of its 1983 readership survey, as conducted by the Simmons Market Research Bureau, and the findings are revealing. Because a large percentage of its readership is in San Francisco, all categories were broken down for San Francisco, as well as its other primary markets. (San Francisco is actually *The Advocate's* third largest circulation area, with 17,000, after New York and Los Angeles.)

The median household income is $42,600 per year for its San Francisco readership, about $8,000 a year higher than its over-all readership. More than half (56.6%) are managerial/professional, 96.2% are employed and 57.5% are college graduates (15.3% have master's degrees and 10% have doctorates).

Another telling point is that the average household size is 2.1 persons, and this explains much of the lucrative potential of the gay market. The trend appears to indicate that often a household is composed of two working people, usually with no children, thus a much higher level of disposable income is available.

But it is not wise to stereotype this market too much. In many cases, as noted by several people interviewed, it's become more common for other family members, such as an aging parent, to move in with a gay son or daughter. Because there are usually no children involved, there can be more flexibility.

The Advocate has targeted three areas for its 1984 advertising sales plans: Personal computers, videocassette recorders and travel. The reason is clear from its survey data, according to Mr. Frisch: Of its readers, 44.2% own a vcr and 36% intend to buy one; 12.5% own a personal computer and 20.4% plan to acquire one. On the travel side, 20% had taken five or more trips in the last 12 months.

But even within the gay market, there are segments.

"We're seeing the emergence in the last three years or so of a distinct gay women's market," notes David Lopez of the San Francisco Chamber of Commerce.

Mr. King, the Crocker Bank manager, concurs. "My experience has been gay women are much more conscientious about their personal finances than gay men. The point is you just can't group everybody together," he says.

There are some pitfalls for products and businesses looking at the gay market. "There can be real resentment, if it's thought that a business has approached the gay market simply for speculative reasons," points out Mr. King. "On the other hand, gays can almost blindly support a business because it bills itself as gay, and a lot of people have been ripped off because of it."

The Castro district's "battle of the banks," as its been dubbed by some of the GGBA members, is an interesting look at companies trying to find a position they're comfortable with in the gay market.

There are six banks or savings and loans within a three block area in the Castro, including Atlas, Crocker, Bank of America and Hibernia, with Atlas apparently king of the hill. It's approach has been to clearly position itself as a gay bank.

Crocker opened its doors in January, 1983. The Castro area was an untested market, but there had been speculation on just how successful a bank in the gay neighborhood might be. So far, virtually all of its advertising has been in gay-oriented media and so far, according to Mr. King, probably 75% of the bank's clientele is gay.

The Crocker powers that be, however, couldn't quite commit themselves to naming the bank the Castro branch, which would have clearly labeled it as a gay neighborhood bank; it pulled up short and named it the Market-Noe Street branch, two nearby cross streets, but not anything that would connote a gay neighborhood.

Still, old ways die hard. There is still great sensitivity about marketing by sexual preference, but like the targeting of blacks or Hispanics, the gay market expects to have an impact.

The closet door will never be shut again. ■

Lynn Berling-Manuel is a free lance writer in Oakland, Cal.

San Francisco, Cal.

Population '80	1,428,836
Rank	27
Est. income '82	$23,008,390,000

San Francisco has been a city without cable cars for almost 20 months, but come June, 1984, the legendary transportation system should be climbing halfway to the stars once again.

The $58.2 million project is scheduled for completion June 1, in time for the Democratic convention, which opens July 16 in the city's Moscone Convention Center. A total of 30,000 people are expected to be in town for the event, including delegates, alternates, guests and media personnel. The same month, San Francisco is scheduled to be the host of the Lions Club international convention, which will be as big or bigger than the Democrats' gathering.

The tourist industry is San Franciso's No. 1 revenue producer and for the fourth year, that business has been flat. Although figures for 1983 are not compiled yet, 1982 was down 8% from 1981, and San Francisco Convention and Visitors Bureau estimates for 1983 indicate that there might be some growth, but not much.

But San Francisco is holding its breath for 1984, which brings not only the Democrats and Lions Club, but the Major League Baseball All-Star Game, and the city is predicting that many of the half-million sports enthusiasts pouring into Los Angeles for the Olympics will include San Francisco on their vacation itineraries.

The catalyst for much of the convention business that's expected in San Francisco is the $126 million George R. Moscone Convention Center, which opened in December, 1981, on an 11-acre site. Plans call for the 21-acre Yerba Buena redevelopment complex that houses the Moscone complex to be encircled by a bevy of hotels now under construction or in the planning stages. An 1,800-room Marriott hotel is scheduled for completion in 1987 and a 1,033-room Ramada Renaissance is slated to open nearby in May, 1984.

In all, nine hotels are projected to be built near the center by 1987, with three additional hotels planned for construction near the San Francisco International Airport.

With prime land going for hotels and office buildings, and the general trend to downzone many other desirable areas of the city, housing has become a problem of both fabulous cost and limited quantity. Rents for the smallest apartment in the least desirable area of town begin at about $400.

One trend that has had a major impact on San Francisco housing is the movement of gay professional and managerial people into the old neighborhoods, where they are buying up the old Victorian homes and turning them into architectural and design showpieces.

Neighborhoods that were once predominately black and Chicano are now populated by wealthy and white upper class gays. The quality of the neighborhoods has improved, but lower-price housing has simply vanished from the city limits.

The affluent-scale market is also served by an endless array of boutiques, gourmet shops and restaurants.

"The side effect of this is that the business community is leaping into the old neighborhoods like North Beach and Chinatown," noted Donald White, business editor of the *San Francisco Chronicle*. These were traditionally ethnic, family-oriented neighborhoods, but housing is rapidly turning into office space and restaurants, and the homes and lower-income hotels are being pushed out.

The movement of people to outside of the San Francisco market, meanwhile, has created a tremendous commuting and parking problem.

Currently, the office vacancy rate is a mere 5%, and prime space is very high. Thus, few new companies are moving their headquarters or corporate offices into San Francisco. But it is still a premier location for corporations such as Levi Strauss & Co., Standard Oil of California, Crown Zellerbach and Foremost-McKesson.

One major new project proposed in 1983 is a new domed stadium to be built in the Cina Basic district of San Francisco, a light industry area. If the plan is approved, this area would provide optimum locations for shopping, high income apartments and office buildings.

The impetus for the new stadium is the San Francisco Giants baseball team, which has made it clear to the city fathers that if a domed facility cannot be built, it plans to move its franchise elsewhere at the end of its contract period. The team plays at Candlestick Park, an outdoor stadium famous for being the coldest and windiest location for a major league baseball game.

If the new stadium is approved and constructed, Candlestick would probably be torn down, at an estimated cost of $10 million, to make way for low-income housing.

The city has two major dailies, the morning *Chronicle* and the afternoon *Examiner*. The market is served by three network tv affiliates, two major independents and one public broadcasting station. It has 11 am and 20 fm radio stations. It is also served by one cable system.

San Jose, Cal.

Population '80	1,295,071
Rank	30
Est. income '82	$19,958,376,000

The San Jose market is one thing: Rich with a capital R.

This market of 13 different communities, all linked by the computer and high-tech industries, has the highest median income in California, the second largest proportion of personal investors in the nation (next to Stamford, Conn.) and a business founded firmly on the silicon chip. Silicon Valley, as it has been dubbed, has seen a decade of growth virtually unparalleled in American business history, and expansion is the byword.

But that same expansion and growth has put a premium price tag on all land in the market. Marriott's Great America, a popular local theme park in Santa Clara, will be sold in 1984. Developers made the Marriott Corp. an offer it seemingly couldn't refuse when they bid $900,000 per acre on the park's land, bringing the total price to about $80 million. But according to Jim Tucker, executive director of the San Jose Economic Development Office, industrial land throughout the region is approaching that same $900,000-per-acre price.

And the prices of land and the rapid industrial growth have made San Jose a victim of both a limited supply and high prices of housing. Prices for existing homes are about double the national median price. In most parts of the country $100,000 will buy you a showplace, but in San Jose it will buy you a starter home, or maybe a nice "fixer-upper." The housing shortage is attributed not only to the declining availability of land, but also to increasing restrictions on development in an effort to control "the quality of life."

Because of the very high housing costs, many people have moved out of the area and commute, with resulting traffic jams that rival Los Angeles at rush hour. But, according to Mr. Tucker, transportation planners in the area are "euphoric" about the new Guadalupe Corridor, a combination light rail and expressway system for which state and federal sources have approved funding. The $400 million project would be completed in phases, with construction beginning in 1984 and completion set for 1989.

The computer industry, meanwhile, has seen changes of its own. Semiconductor companies, after difficulties, are recovering. Currently, the San Jose market produces 34% of the nation's semiconductors, with sales up 15% in 1983 and a projected increase of an additional 24% in 1984.

Unemployment has dropped from a high of 8.1% in 1982, during the height of the recession, to 6.9% this September. Much of the unemployment stemmed from layoffs in the semiconductor industry.

Economic developments are happening outside the computer industry as well. In May, the San Jose City Council opened Coyote Valley, an 18,000-acre site that's being transformed from agricultural land to industry. Controversy has surrounded the Coyote Valley development. Some partisans have pointed to delays in the project as evidence of a "no-growth" attitude by the city.

The area's $120-million-a-year agricultural industry continues apace. But rather than the orchards of a decade ago—San Jose was once known as the prune capital of the world—high cash crops that can be grown on small pieces of land form the base of production. Garlic, mushrooms and other "gourmet" high-profit crops are the most common.

In 1983, three area canneries closed because, between the demise of the big crops and the cost of land, they found more suitable locations.

The automobile industry, which once employed nearly 10,000 people in Santa Clara County, basically left the area this year when the Ford plant in Milpitas closed its doors.

The San Jose market also boasts the greatest concentration of venture capital investments in the U.S. According to 1983 Regional Perspectives on Santa Clara County, published by the Bank of America, of the $7.2 billion in venture capital now invested in the U.S., more than one-third is in California and more than half of California's share has gone to companies in the San Jose market.

The three major reasons, according to the report, include a concentration of talent, past successes and a competitive, knowledgeable banking community. In 1983 and 1984, close to 100 companies will receive infusions of venture capital, and along with the growth and investment of the last 10 years, this is the foundation for the "continued economic prosperity" of this tremendously wealthy market.

The market, covered by spillover from the San Francisco market, has one network tv affiliate and four independents of its own. The two major daily newspapers in the market are the morning *San Jose Mercury* and afternoon *San Jose News* editions (they combine editions on Sunday), as well as the *Peninsula Times-Tribune* in Palo Alto. There is also a weekly business paper, *Business Journal—San Jose*, which was launched in mid-1983. The market has six am and seven fm radio stations. It has two cable services.

Seattle, Wash.

Population '80	1,607,469
Rank	23
Est. income '82	$18,824,832,000

It's clear Seattle has been in a recession—a reduced rate of layoffs at Boeing Co. passes for "good" economic news here these days. And as Boeing goes, so goes much of Seattle.

After nearly three years of major reduction, employment at Boeing seems to be leveling off. The payroll at the area's largest employer stands at about 58,000, down 13% this year and off nearly 30% from the record high in December, 1980. But earlier estimates that employment in the state's aerospace industry would fall 11% in 1984 and a further 4% in 1985 have been revised, and many local experts now call for layoffs to bottom out by the end of this year or early 1984.

Another indicator of stability is that the number of orders for new Boeing airplanes announced from July 1 through September exceeded the total for the first half of the year; by the end of last month, the value of this year's orders had surpassed that for all of last year.

The upturn at Boeing is only one hopeful sign for the Puget Sound region. The rate of unemployment in Washington state fell from 10.4% in June to 9.9% in August, marking the first time the indicator has been below 10% in two years. The rate of unemployment in Seattle remained even at 9.3% in large part because more than 7,100 workers in major industries were on strike. But a year ago the rate in the city stood at 10.5%, and nearly 10,000 more people from a smaller workforce were without jobs.

Although Seattle has lost 2,192 residents since the 1980 Census, its suburbs and neighboring cities continue to grow. Of the 154,519 people who have moved into Washington state since 1980, a total of 74.6% have come to the Puget Sound region.

It is not surprising then that housing is perhaps the most dramatic indicator of Seattle's improving economy. The number of building permits issued in King County by October was more than double last year's total figure, and banks in the area issued 5,638 mortgages in August, compared with just 3,469 in the same month a year ago.

Although 47.6% of the housing units in the city limits are rentals, vacancy rates have fallen dramatically in the last six months. In the city of Seattle the vacancy rate was just 4%, but the greatest improvement was evident in the suburbs, where rates have been cut nearly in half in the last six months, from the middle teens to single digits.

Commercial developers appear particularly optimistic. Although recently the office vacancy rate has ranged from about 9% in Seattle to around 20% in suburban office centers to the east, developers have invested in three office towers that will add a total of 3 million sq. ft. of space in Seattle between now and early 1985. First Interstate Bank of Washington recently opened a 48-story tower, the first of the new buildings to be finished. The state has begun to work on a $100 million convention center that will straddle Interstate Hwy. 5, which runs through the city just east of the business district.

A considerable amount of renovation continues along Seattle's waterfront, much of it undertaken by the Cornerstone Development Corp., in which the Weyerhaeuser Co. is a major partner. Many of the projects combine retail and office space with condominiums and apartments.

In the past four years, 2,500 hotel rooms have been added here, and the number of airlines serving the Far East from the Henry M. Jackson International Airport (formerly Sea-Tac International) doubled to four last spring, when United Airlines and Japan Air Lines began daily service to Tokyo and Hong Kong. Plans call for Seattle to host a convention of travel agents and tour operators from all over the world next summer, part of the city's growing effort to become a major tourist destination.

In addition, civic leaders continue working to improve trade with China and Japan, as the Port of Seattle battles to remain among the top three container shipping terminals on the Pacific Coast.

The media in Seattle have been making front-page news themselves recently. A long legal battle over a joint operating agreement between the *Seattle Times* and the *Seattle Post-Intelligencer*, the city's two major dailies, finally ended Oct. 11 when the U.S. Supreme Court refused to review a lower court's ruling that the arrangement could stand. The joint operating agreement allows the two papers to merge all but their editorial departments. The Hearst Co.'s *P-I*, classified a "failing newspaper" under the Newspaper Preservation Act of 1970, had long run far behind the *Times*, owned by Seattle's Blethen family and Knight-Ridder Newspapers, in circulation and advertising sales.

Seattle is home to three network affiliates, a Public Broadcasting Service station owned by the University of Washington and two cable operators. Two independent stations with headquarters in Tacoma also broadcast here. About 20 commercial radio stations, half of them fm, call Seattle home.

A number of neighborhood papers and suburban dailies supplement Seattle's major media. *The Weekly*, a news magazine, and *Pacific Northwest Magazine*, a regional monthly, also are based here.

Tacoma, Wash.

Population '80	485,643
Rank	87
Est. income '82	$4,297,993,000

Tacoma suddenly seems to be a new city. A number of ambitious civic projects have been completed in the last year, and when they are considered with the city's recent commercial successes, the triumphs suggested that Tacoma finally has reason to get over its feelings of inferiority to Seattle, only 30 miles north.

The most visible symbol of Tacoma's new look is the huge Tacoma Dome, a multipurpose arena that opened last April. Made of wood, the dome's blue roof rises next to the freeway on the city's east side in what was recently a rundown neighborhood. Comparisons with the taller Seattle Kingdome are inevitable, but Mike Gebauer, manager of the city-owned facility, insists the Tacoma Dome isn't a stadium, although it can accommodate every sport except baseball and swimming. He prefers to call the dome an "arena," pointing out that an adjoining convention center provides ample exhibition space for trade shows and that sophisticated sound and video systems make the dome ideal for concerts. Indeed, the arena already has played host to everything from the Billy Graham Crusade to a concert by David Bowie. This season, the Seattle SuperSonics basketball team will play several home games under the dome's wooden beams.

This fall the city also opened the Pantages Theater, once a vaudeville house, now a performing arts center that was remodeled at a cost of $4.5 million. The Pantages is a part of a new downtown that includes a renovated train station and a marina.

Tacoma's biggest business coup over the last several years undoubtedly was luring Sea-Land, one of the world's largest container shipping companies, to a new terminal at its fast-growing port on Commencement Bay. Sea-Land was the Port of Seattle's best customer, accounting for 12% of $1.9 million of the agency's marine revenues, and one-third of Seattle's container shipping volume. Tacoma had to promise $30 million in improvements to bring Sea-Land to the undeveloped site, but when Sea-Land completes the move in 1984, about 2,000 jobs and a $27 million annual payroll will sail the city's way. The port also is developing a $15 million world trade center that will include 140,000 sq. ft. of space for a variety of businesses on the waterfront, including Sea-Land. The first part of the center is scheduled to open in May, 1985. Tacoma's bread and butter employers continue to be Weyerhauser and Tacoma Boatbuilding, a large shipyard.

Tacoma Boat, in the headlines recently because of a strike and changes in top management, has rehired the 2,200 workers it fired during the walkout.

Weyerhaeuser is recovering from what chairman George Weyerhaeuser often refers to as the "worst forest products industry depression since the 1930s." In 1979, at the height of the last building boom, Weyerhaeuser earned $511.6 million, or over $4 a share. Earnings plunged to $277.9 million in 1980, and fell all the way to $168.9 million, or 90 cents a share, in 1982. The company undertook a major reorganization, cutting overhead by about $150 million a year and reducing its salaried work force by 20%, but analysts expect Weyerhaeuser's earnings to pick up this year.

These improvements have not yet translated into a booming economy in Tacoma, however. In August, the rate of unemployment in the city stood at 11.1%, down from the 11.5% in July and 12.3% a year earlier, but still significantly higher than in Seattle.

Bordering the city are two big military bases. More than 29,000 active duty personnel are assigned to McChord Air Force Base and Ft. Lewis; another 49,555 dependents live on and off base. Their influence is hard to calculate, but while Seattle, Everett and other cities to the north have experienced wild fluctations in vacancy rates over the past year, and even greater swings in other indicators such as building permits and new construction, Tacoma's numbers have remained almost unchanged.

Tacoma's major media include the daily *Tacoma News Tribune* and the *Pierce County Herald* (published three times a week). The city has 10 radio stations; five of them are fm, including one public radio station operated by Pacific Lutheran University. Two independent tv stations are headquartered here; network programing comes from affiliates in Seattle.

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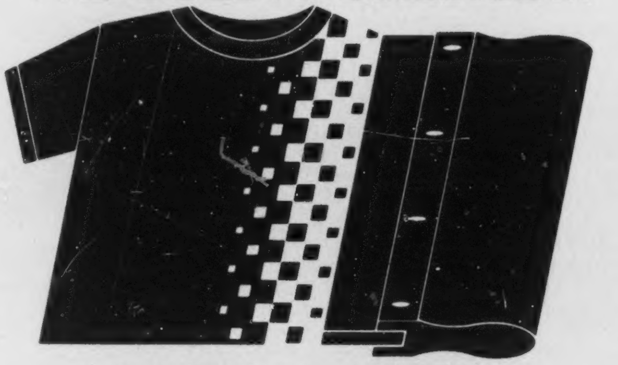

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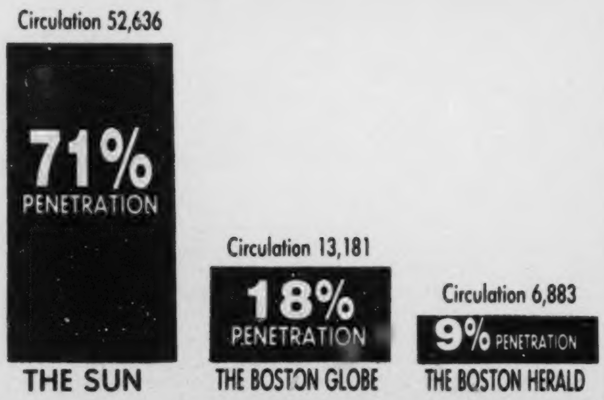

(Source: 1982 ABC Audits)

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Cameras top paper ad gains

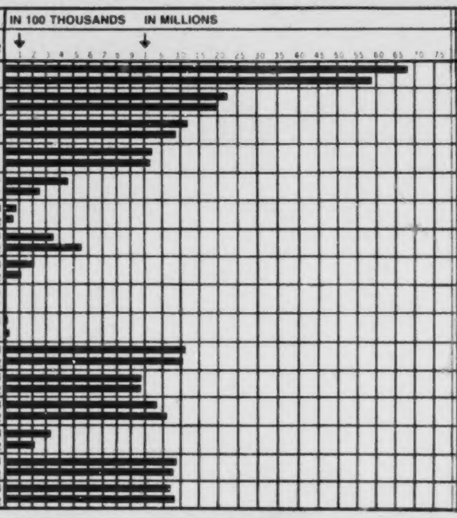
New York—Advertising spending in newspapers increased in 11 of 16 measured categories in September, according to figures compiled by Media Records.

The biggest gains were shown by cameras and photo supplies, up 83%, to $473,800; cosmetics, makeup and manicure products, up 66%, to $333,200; soaps and cleansers, up 48%, to $207,300, and alcoholic beverages, up 37%, to $2.7 million.

Declines in year-to-year spending figures for the month were recorded by headache remedies and sedatives, down 95%, to $1,800; soft drinks, down 39%, to $343,400, and cigarets, down 36%, to $3.8 million.

This Flash Report of newspaper ad investment is compiled for Advertising Age by Media Records from tabulations of 35 dailies and 24 Sunday editions in 15 cities.#

FLASH REPORT: Newspaper advertising investment for September



September 1983		DOLLARS		CHANGE	
CATEGORIES	YEAR	1983	1982	ACTUAL $ G OR L	% G OR L
Department stores	1983 1982	$68,705,599	$58,641,468	+10,064,131	+17.2
Food stores	1983 1982	22,844,766	20,290,465	+2,554,301	+12.6
Radio, tv, phonographs, records	1983 1982	12,059,338	8,970,548	+3,088,790	+34.4
Alcoholic beverages	1983 1982	2,658,435	1,940,417	+718,018	+37.0
Cameras, photo supplies & services	1983 1982	473,770	258,498	+215,272	+83.3
Beverages: coffee and tea	1983 1982	98,028	90,127	+7,901	+8.8
Beverages: soft drinks, diet/non diet	1983 1982	343,402	561,093	-217,691	-38.8
Soaps, cleansers & polishes	1983 1982	207,272	139,937	+67,335	+48.1
Cold, cough & sinus remedies	1983 1982	0	0	0	0
Headache remedies & sedatives	1983 1982	1,836	35,299	-33,463	-94.8
Publishing & media	1983 1982	11,034,385	10,187,227	+847,158	+8.3
Sporting & Leisure time equipment	1983 1982	984,514	983,296	+1,218	+0.1
Cigarettes	1983 1982	3,850,075	6,030,188	-2,180,113	-36.2
Cosmetics, makeup & manicure products	1983 1982	333,180	200,774	+132,406	+65.9
Airlines	1983 1982	9,762,294	8,425,400	+1,336,894	+15.9
Passenger cars-new	1983 1982	7,914,097	9,556,504	-1,642,407	-17.2

This Flash Report of newspaper advertiser investment, compiled for Advertising Age by Media Records, is derived from tabulations that cover 33 dailies and 25 Sunday editions in 14 cities: Atlanta, Baltimore, Boston, Chicago, Cleveland, Dallas, Denver, Los Angeles, Miami, New York, Philadelphia, Pittsburgh, San Francisco and Washington.#

Source: Media Records Inc.

Olympic eagle hitting the road

Chicago—A joint promotion by Olympic Games sponsors Budget Rent a Car Corp. and Southland Corp. (7-Eleven) is taking the Games' official mascot on a 50,000-mile trip around the country.

A costumed "Sam, the Olympic Eagle" began the 10-month tour last week in Bangor, Me., with appearances at 7-Eleven stores in the area.

Traveling in a specially equipped Ford truck supplied by Budget, Sam and his entourage will visit all 48 contiguous states before ending the promotional swing July 28, 1984, in Los Angeles for the Summer Games' opening ceremonies.

Providing transportation for Sam is Budget's second Olympics-related joint promotion. Earlier this year, car-rental customers were offered an Olympic warmup suit (manufactured by Games sponsor Levi Strauss & Co.) for half the retail cost (AA, Oct. 10).

Children will get to have their pictures taken with Sam during the 7-Eleven appearances and will be given a "1984 Olympic Games Fun Book" with games and puzzles.

While the children's book clearly announces it is provided courtesy of Budget and Southland, restrictions against use of the Olympic mascot for "overtly commercial purposes" preclude advertisements by the companies within it.

Similarly, neither company will use Sam in print or broadcast advertising.

The benefits for Southland are obvious, but the promotion fits Budget's interests as well. A company spokeswoman explained that with its large number of off-airport, neighborhood locations, Budget has sought greater visibility for the truck-rental side of its business. A Budget truck will be sitting in the parking lot at each 7-Eleven Sam visits.

Also, Budget next year will sponsor a pro-stock drag racer on the National Hot Rod Assn. circuit.

The Budget logo will appear on both the car itself and the trucks that carry car and crew from race to race.#

Clairol offering Jazzing

New York—Clairol is introducing Jazzing, a new semipermanent salon hair-coloring line, which will be handled by Wiseltier & J.A. Handman Ltd.

The agency also is responsible for creating new-image print advertising for the professional products division, which will be appearing in consumer and trade publications.

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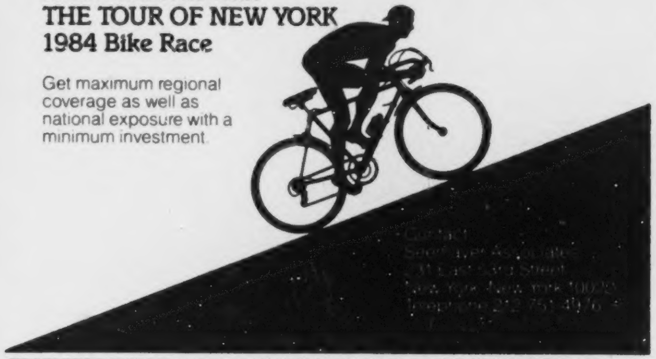

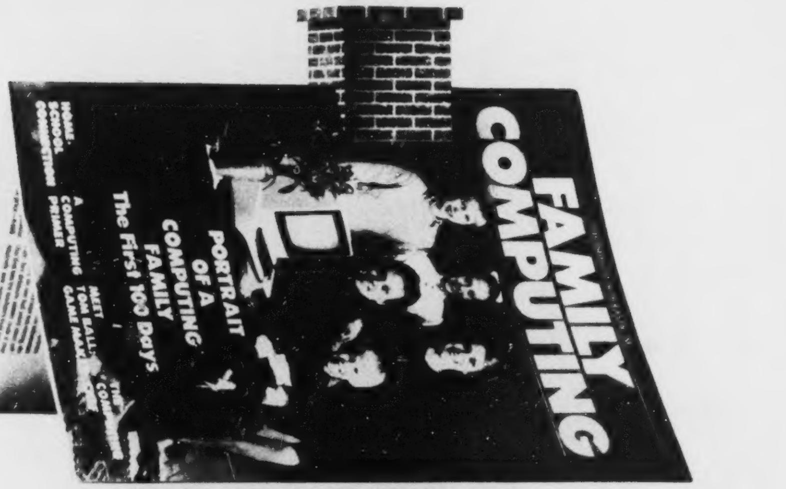

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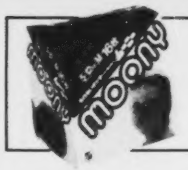

Japanese beating P&G in diapers - International section

Advertising Age®

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$1.25 a copy; $50 a year *The International Newspaper of Marketing • In Two Sections, Section 1.* *December 12, 1983*

Plymouth Voyager: A whole new way to get around.

Plymouth. Best built. Best backed.

In addition to some unusual promotions, Chrysler Corp. will run print ads for the Plymouth Voyager that include the line, "You have to see it to believe it." The campaign was created by Kenyon & Eckhardt.

Chrysler aims minivan promos at women, via shopping malls

By JESSE SNYDER

ATLANTA—Chrysler Corp. will turn to some offbeat methods to market offbeat vehicles—the new Dodge Caravan and Plymouth Voyager minivans.

The official January introduction of the small, front-wheel-drive van-station wagon will be backed by a heavy conventional advertising campaign. Early teaser ads break in print Dec. 19 and on tv Dec. 24, to build awareness, and the first-quarter blitz starts the first week in January.

But Chrysler will unleash a series of promotions aimed at getting nontraditional Plymouth and Dodge buyers behind the wheel. They range from a shopping mall test-drive program to a Kellogg's cereal sweepstakes. Women are prime targets because the seven-passenger wagons are family-oriented, and Chrysler executives believe women will make or influence a majority of the purchases.

Mr. Campana would not reveal spending, but said the vehicle will get Chrysler's biggest push of the 1984 model year.

The heavy initial tv schedule, which begins on the

(Continued on Page 70)

P&G slates cable ad hike

By MAURINE CHRISTOPHER

NEW YORK—Procter & Gamble is poised to give cable tv a big shot in the arm, with reports indicating its spending in the medium will more than double next year.

One report circulating here is that P&G, the largest national advertiser and widely regarded as a trendsetter, is calling for a specific percentage of its over-all tv ad budget to be allocated to wired tv for brands using the medium.

P&G confirms that its cable spending is increasing, but would not acknowledge a revamped policy on cable or that it will specify a percentage *(see earlier story on Page 12)*.

Sources suggest that the Cincinnati company will aim for a spending level substantial enough to compensate for the fact that cable homes are considerably more difficult to reach with conventional network tv shows than are non-cable homes.

Eldridge Plowden, P&G cable ad manager, would not comment on a report that its future strategy calls for cable to be included from the early brand-planning stages in the over-all budgets of most advertised brands at a level of about 5.6%.

A P&G spokeswoman said that cable is getting regular consideration in budgeting already, and that most of the company's 65 advertised brands are using it. Brands not using catv currently are Dash,

(Continued on Page 69)

Y&R, Dentsu set venture revamp

TOKYO—The international joint venture of Dentsu and Young & Rubicam is slated to change dramatically this week, sources say.

To improve the agency's potential for growth and to position it separately from its parents, Dentsu and Y&R officials are giving the agency its own chairman and president for the first time and renaming it, these sources contend.

The new chairman will be Alexander Brody, formerly Y&R's international president before becoming a consultant last January, and the new president will be a high official of Dentsu.

Up until the change, a four-person steering committee made up of equal representatives from the two agencies has been running the

(Continued on Page 66)

last minute news

Zila to introduce herpes-relief ointment

LAS VEGAS—Zila Pharmaceuticals plans to introduce Zilactin, an ointment that claims "treatment for symptomatic relief of herpes virus infections," in at least five western states by the end of the month. The company has named Sullivan & Brugnatelli, New York, to handle Zilactin and other drugs that will be introduced by mid-1984.

NBC wins Magid news consultancy from ABC

LOS ANGELES—NBC-TV has hired Frank Magid Associates, an influential tv news consultancy, away from ABC. Frank Magid is expected to head a team that will check in at NBC News in January, after his company's contract with ABC expires. Mr. Magid said talks are under way for his company to consult ABC stations in Detroit and San Francisco.

(Continued on Page 8)

NEWSPAPER
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WASHINGTON DC 20014

New Rondelle Labs unit readies laxative

Johnson tests 2nd lotion

By PAT SLOAN

S.C. Johnson & Son is testing new Curel skincare lotion in Tucson as a possible entry into the therapeutic segment of the estimated $500 million hand and body lotion market.

The effort comes just as the company gets ready to make its first move into the over-the-counter drug business (AA, May 24, '82).

According to sources, Johnson's new Rondelle Laboratories will launch its first such product within the next few months, possibly a laxative.

Curel, although from the personal care division, could be considered a bridge product between personal care and otc because it's a therapeutic entry. It would compete with Westwood Pharmaceuticals' Keri lotion, and in fact takes on Keri through direct comparisons in advertising created by Foote, Cone & Belding.

Ads also state that "seven out of 10 consumers prefer Curel to the leading therapeutic lotion."

It is no secret that the personal care division at the Racine, Wis.-based company has produced few success stories in recent years, and it could use a winner.

In 1982, Johnson withdrew Achieve conditioning shampoo from test market. Enhance, a shampoo and conditioning system, has never really caught on in its shampoo form and as a conditioner lost ground after initial success, dropping from close to a 5% market share to less than 3%.

Soft Sense, a skin lotion introduced in 1981 with an ad campaign that emphasized "All you feel is soft," was on target with a 7% share by 1982, according to the company, although competitors maintain it never achieved original share goals and has been declining since.

Chuck Goldthwaite, personal care division general manager and a former Chesebrough-Pond's executive who worked on Vaseline Intensive Care, the No. 1 hand and body lotion, maintains Soft Sense is the No. 3 lotion over-all and No. 2 in drug and mass merchandisers.

Although Soft Sense originally stressed a cosmetic positioning, the later "Healin' Feelin'" campaign had therapeutic overtones.

According to Mr. Goldthwaite, both Soft Sense and

(Continued on Page 69)

Body flowers
BODY SPRA
PERFUMED DEODC

"It follows you everywhere," says advertising for Gillette Co.'s new Body Flowers deo-cologne spray. The Advertising to Women-created spots break in early '84, and Gillette has set a $12 million ad and promotion budget for the introduction (AA, Oct. 3). N W Ayer will soon be taking over the brand from ATW, which was fired last week *(see story below).*

Gillette departure stuns ATW; other accounts stand by shop

New York—Gillette Co.'s abrupt decision last week to fire Advertising to Women not only stunned the agency, but also fueled speculation that personnel cuts and further client defections could be next.

Spokesmen for ATW's four remaining accounts, however, denied any plans to review or drop the agency.

"We did not anticipate losing the account," said ATW exec vp Walter Kiores, whose agency was informed it would lose $20 million of Gillette business only hours before the formal announcement Dec. 6. ATW had been planning staff additions to handle the January introduction of Gillette's Body Flowers deo-cologne.

On Wednesday, Gillette executives from Boston flew here to meet with the agencies winning pieces of the ATW business. Spokesman for Young & Rubicam, Marschalk Co. and N W Ayer all agreed that it was far too soon to predict what marketing moves lie ahead for the various products.

Y&R gains Silkience and For Oily Hair Only (FOHO) skin and haircare lines ($14 million), Ayer adds Body Flowers ($11.1 million) and Marschalk gets Toni ($4 million).

Gillette's decision to terminate its seven-year relationship with ATW resulted from corporate reaction to negative publicity surrounding ATW chairman John Ernst's guilty plea in August on charges of tax evasion. Mr. Ernst since has resigned from the agency.

In a prepared statement, Gillette said the action "follows a review of the tax proceedings in which Adver-

(Continued on Page 68)

DDB shuffles account team on Polaroid

By GAY JERVEY

Over the past several weeks, Doyle Dane Bernbach has restructured the staffing on the $50 million to $60 million Polaroid account, which now is divided into two divisions.

Group vp Rein Luik was given responsibility for the instant camera giant's troubled domestic business.

DDB's decision comes at a time of increased pressure on Polaroid account team members, who have undergone frustrating months of trial and error, according to a source close to Polaroid.

Over the past year, no Polaroid campaigns—and several different tacks have been attempted—have achieved satisfactory levels in recall testing.

Last month, Ogilvy & Mather was awarded Polaroid's new videotape business in a competition involving DDB and several agencies. At the time, according to a Polaroid spokesman, the decision was made in order that DDB could concentrate on the instant camera and film business.

The source close to Polaroid agreed that the company was concerned that DDB's talent and manpower might be diluted by incremental business. However, the source also noted that the selection of Ogilvy arose out of Polaroid's increasing orientation to market research, a movement fueled by the company's new marketing management.

As such, Polaroid's marketing cadre is putting increasing pressure on DDB's creative staff to conceive and implement ideas that are guided by certain objective parameters of market research, a well-known Ogilvy strength.

James McConnell, who since

(Continued on Page 69)

NBC shreds sked; CBS adds 5 new shows

By DIANE MERMIGAS

NBC-TV is preparing to introduce as many as six new series in January to boost its generally languid prime time performance.

The third-place network is expected later this week to announce the changes, which likely will affect every night except Sunday.

Meanwhile, CBS has decided to drop its Saturday movies and will fill that slot and others with five new series.

In some cases, NBC will move some existing half-hour comedies to new time periods to achieve more compatible program lineups, an NBC source said.

The only certain change is the introduction Jan. 6 of Lorne Michaels' "The New Show." The live hourlong satirical brainchild of the original executive producer of NBC's irreverent "Saturday Night Live" is scheduled to air three times a month at 10 p.m. (ET) Friday.

The same time period will be filled on the fourth Friday of each month, at least until spring, by a new Dean Martin celebrity roast, which was once a seasonal staple on NBC.

For more than a month, NBC has aired movies in the 9 p.m.-to-11 p.m. time slot, replacing "Manimal" and "For Love and Honor." The shows now are getting a second-chance broadcast.

But NBC sources say both series, along with "Rousters," another new fall entree, are sure to be canceled due to poor ratings.

Sources at NBC say a total revamp of Friday is expected to be built on "The New Show." One scenario is that "Mr. Smith" and "Jennifer Slept Here" (which have each averaged about a 10 rating/16 share this season) will be canceled and replaced at 8 p.m. Friday by the new adventure, "Leg Men."

NBC programers last week reportedly were contemplating pairing the Fred Silverman comedy "We've Got It Made" (which has been yanked temporarily from the schedule) in the 9 p.m.-to-10 p.m. Friday time slot with a new half-hour comedy like "Double Trouble," a saga about mischievous twins from Embassy Television.

Another thought being pondered by NBC program executives last week was how to di-

(Continued on Page 66)

highlights

Monday, December 12, 1983

Media General Broadcast Services is the new name of William B. Tanner Co. as the company attempts to overcome negative publicity from a federal investigation. *See Page 6.*

Public tv's Lawrence Grossman has been picked by Grant Tinker to head NBC News. *See Page 6.*

Red Lobster Inns of America is moving its $30 million account from D'Arcy-MacManus & Masius to Backer & Spielvogel. *See Page 10.*

Anheuser-Busch remains the leader in cable tv advertising spending, but Procter & Gamble, the top spender in commercial tv, is gaining fast. *See Page 12.*

National Business Network made its first big sale in its regional business publications, to AT&T. *See Page 14.*

Retailers are hoping that the improved economy this year will help reduce the problem of shoplifting. *See Page 14.*

The sweeps aftermath yielded such tidbits as CBS owing its November win chiefly to weekly series, and three-network rating gains reversing a four-year slide. *See Page 16.*

"The Day After" not only proved advertisers will buy time in controversial tv shows, but also that viewers will stick with serious fare, a special study shows. *See Page 16.*

Major food marketers are planning new entries into the $110 million retail market for snack dips, but there is little indication of an increase in ad spending for the category. *See Page 36.*

Armour Food Co., capitalizing on the success of its Dinner Classics frozen meals and the public's concern with weight and health, breaks advertising soon for a low-calorie spinoff, Classic Lite. *See Page 37.*

CORPORATE CLOSEUP

K mart Corp., following a successful shift to higher quality and name-brand merchandise, will test in-store investment centers and stand-alone home centers, and is seeking to expand its cafeteria restaurant business. *See Page 4.*

INTERNATIONAL

Procter & Gamble Co. is fending off an onslaught of Japanese competitors to its Pampers diapers in Japan, and these competitors are making noises about taking on Pampers in the U.S. market. *See Page 40.*

A.C. Nielsen Co. and AGB Research, London, are battling over which audience measurement service will dominate the growing international market. Nielsen is moving into Brazil, Venezuela and Mexico and looking at Australia and South Korea. AGB, already in 20 countries, is in Australia through its subsidiary McNair Anderson and is looking at Japan. *See Page 40.*

The French Assembly is expected to debate this week a controversial new law designed to prevent monopolies in the press. If the law is passed, it could extend state control over the media in France. *See Page 45.*

VIDEOTECH

Blair Television has upset syndicators with the release of the first in its planned series of "realistic" analyses of barter syndication. *See Page 54.*

USA Cable Network is introducing movies and other entertainment to prime time as it tries a more varied programing mix to attract more women viewers. *See Page 55.*

Group W Cable has named Harry Murray as its new chief executive officer. *See Page 55.*

MAGAZINE

British Airways' "Manhattan Landing" has stirred some controversy, but for the company it was a bargain. *See Page M-4.*

Entertainment Marketing: Marketers of movies, plays and other traditional entertainment vehicles turn more sophisticated in the wake of more home entertainment availability. *See Page M-9.*

A photographer rebuts an earlier article critical of residuals assessed by those who practice the craft. *See Page M-28.*

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ABC says 'Amelia' will sell

By JAMES P. FORKAN

New York—ABC-TV, which officially has not placed "Something About Amelia," a tv drama about incest, on the market or arranged screenings for interested agencies and clients, expects the prime time movie to sell between now and its Jan. 9 air date.

Due as an "ABC Theater" drama at 9 p.m. on Jan. 9, a Monday, "Amelia" deals with father-daughter incest, with Ted Danson of NBC's "Cheers" as the father of a 13-year-old girl.

Despite its taboo subject, an ABC spokesman said after checking the ad sales department, "We don't anticipate it being a [sales] problem."

Some family-oriented accounts such as General Foods or Procter & Gamble undoubtedly will avoid the drama, various sources agreed. But the ABC spokesman said there are no sponsor "pullouts," simply because the Monday movie package (replacing "Monday Night Football" as of Dec. 26) yet has to be offered for sale.

Besides running "parental discretion" advisories before "Amelia" as well as in tune-in ads in newspapers and *TV Guide*, ABC will follow the movie with a spe-

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